B 384

P V

App. F. IX-4

1945-46
(S. D)
A

File No. 79 - 45
Serial Nos. 1, 3

Previous References.
A 173 - 46 - 1, 2

Later References.

PRESERVED

P 82 (E)

GENERAL AND REVENUE SECRETARIAT

Serial Nos. Two

Part B for May 1947

SUBJECT

Food supply Accounts and Audit
for half year ending 30.6.45

Notes: p 1 — 15 Two
Corr. — p 1 — 6

The D. F.S in Mysore
Coorg Hyd. F.S
~~A.A.O.~~ F.S.

S. D. 35:5-7/ A 79 45-3 dt 7.12.45
Sanctions adjustment of 25 Lacks

Rathnamma Rao.
16.6.47

1623 Food Supply accounts for the half year ended 30.6.45.

General and Revenue Secretariat | File No. A 79 of 1945. | [App. F. III–2

Serial No.

(Half year)

Letter no 1873/Accts dated the 15th September, 1945 from the Director of Food Supplies forwarding 9 statements relating to Food Supply accounts in the State for the period ending 30th June 1945.

Ministers orders on Para.

1) "Lewsey

May be scrutinized and put up with an explanatory note"

(Sd) D.P. 17/9

2) (Sd) C.E 17/9

3) In para 2 of his letter the D.F.S. has promised to send an explanatory memo dealing with the figures in the statements sent by him now. He has also promised to discuss the matter with the Minister on his return from Mysore. The orders whether the promised explanatory "memo" may be awaited or an explanatory note called for from the D.F.S. Lewsey.

Yes 19/9 (Sd) 18/9

4) Put up again on receipt of the memo from the D.F.S. (Sd) 19/9

NOTE—Contn. Sheet.

Dept A

Mr As. Revision to issue 26/9/45 Ker 19/9

Serial No.

Letter no Fo. 1915/ dated 21.9.45 from the Director of Food Supplies forwarding a report on the accounts and audit of the Food Supply department, for the half year ending 30.6.1945, submitted by the Auditor and Accounting Officer.

W

b) The report of the Auditor and Accounting Officer on the accounts of the Food Supplies department for the half-year ending June 1945 and the financial statements etc, accompanying it are for perusal. This report deals with the various aspects of food accounts and audit in the State during the period under reference and contains a number of useful suggestions.

7) The Director of Food Supplies who has forwarded the above report has observed inter alia:- Report discloses a total loss of Rs. 28,17,751-3-11 from the beginning of the food operations (in 1942) to the end of June 1945 and that this loss is entirely covered

2. ~~[redacted]~~ 8) A provision of Rs. 25 lakhs has been made in the revised budget for 1944-45, towards the cost of subsidising foodgrains (A like amount has also been provided in the current year's budget under this head). On page 8 of his Report, the Auditor and Accounting Officer has stated that in view of the net loss of Rs. 28,17,757-3-11 shown in the Balance sheet a recommendation is being separately sent to Government to write off the loss to an extent of Rs. 25 lakhs in the June 1945 final accounts of the Comptroller.

Vide Page 15 17 of Budget for 1945-46 - item 3(v).

9) The D.F.S. has now solicited sanction to write off Rs 25 lakhs in the State accounts for 1944-45 "by crediting (reducing) the "advances" shown against

Food Supply accounts
annual report for the
half year ending 31st

by the Auditor-General in
foodgrains as explained in
the report. He has stated
that it is necessary to write
off this loss now, as future
losses due to the same reason
will have to be booked in
future accounts. He has also
stated that the loss on
Bengal rice alone will be
about Rs. 25 lakhs and that
this amount is not included
in the above loss (of Rs.
28,17,757-3-11) as the
Commodity was received
after the account period
(Viz, 30.6.1945) and that it
will have to be adjusted
in accounts in future.
He has further stated that
"we will have to take
further quotas of rice
from wherever we get
an allotment for next year
and be prepared to write off
loss on that account also."

16-23 5.1695 Food supply accounts and audit report for the half year ending 30.6.1945 - Forwarded herewith. Desirability of proposal is for orders.

10) The controller being the head of the accounts and audit department (including the food supply accounts) and audit office) it seems desirable to consult him re: the Audit report and the proposal of the D.F.S.

— Refer Paras 1 & 5

W

11) The state of defalcations and irregularities appended to the report vide annexure "A" is for perusal.

29/9

12) 1/10/45 Dev. Secy) DSS 6/x

Forwarded with compliments to the Comptroller for favour of remarks.

Development Secretary
26/10/1945

COMPTROLLER'S SPL. OFFICE
No. 241 Spl.
Date 26/10/1945
Bangalore

26/10

U.O.No.305/Spl. dated 1st November 1945.

13) Returned with compliments.

The Auditor and Accounting Officer had submitted to me his original report for the half year ending 30-6-1945 and I have also submitted a copy of the report to Government in the Finance Department with my letter No.220/Spl. dated 19-9-1945.

It is desirable to write off the loss due to subsidy on food-grains in each year's accounts, especially as the loss on this account will be a recurring feature as long as essential food-grains have to be imported from outside the State at comparatively high prices.

As the accounts compiled by the Auditor and Accounting

No. 2925
7.5.5042

NSB
Put this up
Foods please
Submitted
B
13/11
Textile Section
15/11

Re. Food Supply accounts and audit report for the half year ending 30-6-45.

234
1.11.45

Accounting Officer show a loss of Rs28,17,751-3-11 and as a supplementary grant of Rs25/- lakhs for 1944-45 has been obtained from the Legislature in June 1945 to cover this write off, I have provisionally adjusted this in the accounts of 1944-45 ~~subject~~ to confirmation of sanction for this.

Orders may kindly be communicated very early.

M Shamanna
Comptroller.

Ce

SM 1/11

16) We write off the loss of Rs28,17,751-3-11

16 for orders.

2/11/45 Dy Secy

(Case must be urgent)

3008 20/11/45 Chief Secy Fin. Secy

16) Ans be sanctioned.

15) 1/11/45 9/11

Ce 13/11

GOVT OF

FINANCIAL SECRETARIAT U.O.No. Fi. 9925 14. NOV 1945 BANGALORE

5042

17) There are several very important points raised in the Audit note to be considered by Govt & orders thereon passed. I am putting up a separate note re: them.

1.) I n the meanwhile the action of the Comptroller in having adjusted the above loss (mainly due to subsidised food items) may be approved. The entire loss has to be adjusted out 25 lakhs only

B 16.11

19) Ce 20/11. 19/11

20) 21/11

1623/1695 Food Supply accounts and audit report of the Food Supply Dept for the half-year ending 30-6-45

General and Revenue Secretariat | File No. A 79 of 1945. | [App. F. III-2

Serial No.

21) Draft G.O. approving is subd.

Recd. 27/11

23/11.

22) A revised draft G.O. is put up.

[The file may perhaps be submitted to the Dewan for perusal.]

Reg 27/11 23) Draft G.O. for approval.

Dev. Secy) 28/11 24) For perusal before issue

Dewan) 29/11

Ce 30/11

25) Nil 3/12/45

Ce 3/12 Issue

26) 3/12

27) Final Com No. 1953

Reference paras 17-18

Dft Hair subd

5/12/45

28) Done.

Hand May 7/12.

To The C.D.F.S.

" Comptroller Food Dn

" A & A.O. F.S.

G.O. No. SD. 35-35-7/A 79-45-3 & 5/7-12-45

Approves the action of the Comptroller

DEWAN'S OFFICE
1 DEC 1945
NO. 3149

tn. Sheet.

"Food supply accounts and audit report for the half year ending 30 6 48"

File No. of 194 . | General and Revenue Secretariat

Serial No.

in adjusting the loss of Rs 25 lakhs main[illegible] due to the sale of foodgrains by Govt at prices lower than what they cost.

Ref re Para 17

29) Re Financial Secy's request to note the stage on which the question stands at present.

Asst Secy Fin Dept

14/12

15/12

F.N. U.O. No. 1063 - 5 BANGALORE

C. F. 69]

Continuation Sheet. File No. / Current No. of Page.

Review of the Food Supply Accounts for period ending 30th June 1945.

30) Many of the points reported in the Auditor's report for the period ending 30-6-1945 have been repeated in his report for the half-year ending 31-12-1945, action on which has already been taken and the file sent to the Food Supply Secretariat for taking necessary action.

31) The report for the period ending 30th June 1946 is expected to be received very shortly, when the latest position in that department will be available.

32) In the meanwhile some of the points on which action has to be taken and which are not included in the report for the period ending 31-12-1945 are noted below. As a copy of this report has also been given to the Director of Food Supplies for taking suitable action, it is presumed necessary action has already been taken. The Comptroller is however requested to obtain and report the position as it now stands in respect of the following

(1) The "Illuvary of rice is reported to be very good at Mysore but very poor in Shimoga and Kadur Districts during the period under report. It is very necessary that the officers on their routine inspections pay surprise visits to the Mills and test the Illuvary of rice in their presence. As even a reduction of percentage of Illuvary by a fraction contributes to heavy loss, the officers of the Food Department should take particular care in fixing the Illuvary of rice under each variety. (An extract of this has been sent to Food Secy)

WD 02139—GPB—20,000—26-2-45

P.T.O.

Heavy transportation charges ~~have~~ are said to have been incurred in Shimoga District for transporting rice to Bhadravati by road from distant places like Nagar, Hosanagar, Shikaripur and Siralakoppa instead of to the nearest rail heads. The report of the Assistant Auditor, Food Department, Shimoga, who was asked to investigate these heavy charges has since sent a report to Government and the matter is receiving attention in the Food Supply Secretariat.

3. The receipt of monthly statements of transfers of stock for both receipts and issues which are reported to be not being received in the Director's Office may be insisted upon and the particular attention of officers drawn to the standing instructions already existing in the matter.

The shortage under rice is reported to be more than in any other item. The shortage statements as per account instructions of the Audit dept are reported to be not being received from any of the units except a few solitary cases. Unless such statements are insisted upon and the shortages pursued responsibility for these shortages cannot be fixed at a later stage. Shortages should not be removed from stock except under competent authority.

The importance of physical verification of stock seems to have been lost sight of by a few subordinate officers who checked the stock. It has been reported that the "Book balances" though obviously wrong have been certified as checked by the subordinate officers. This only shows that stock has not been checked at all. The

officers should be pulled up. The Director of Food Supplies is requested to take necessary action. Every officer checking stock should realise his responsibility and unless stock has been verified by actual counting, should not record his certificate. The condition of articles in stock may also be recorded, in view of the heavy stock, Government is holding now.

16. The stock of gunnies is reported to be more than the present requirements. Fresh purchases of gunnies should not be made till the existing stock is fully utilised.

17. The question of introducing the system of wholesale dealers instead of the present arrangement of Govt. itself holding large quantities of stock in its custody and selling through its own distribution agencies, may be seriously considered, as the suggested procedure would reduce not only the cost of financing the purchases but also reduce the probable loss that would be involved in disposing of the stock when the food operations finally cease.

It is reported that the local audit is in arrears by an average of 9 months for want of required number of staff. The auditors themselves are compiling the accounts every half year and thus every half-year about 1½ to 2 months' time will be taken away for compiling these accounts. This time could be better utilised for clearance of arrears of audit work if the accounts are sent in the prescribed form by all the Deputy Commissioners

WD 02139—GPB—20,000—26-2-45

1029/22

of Districts and Rationing Officers of Bangalore and Mysore Cities, who have been given the required staff.

1 It is reported that there is considerable delay in replying to audit notes and in recovering the amounts objected to. The Director may be requested to issue needful instructions in the matter of prompt clearance of audit objections and enforcing liability on the officers concerned. The Auditor may bring to the notice of Govt. the names of officers against whom audit objections are pending clearance for more than three months so that effectiv action may be taken.

The Auditor has furnished details of cases noticed in audit relating to misappropriations, manipulation of accounts, undue delay in remittances and other grave irregularities. It would have been better if some of these items had been included as paras in the Audit and Appropriation Accounts for the year 1944-45, the omission of which came in for considerable comment in the Legislative Council.

(Copy taken & file sent) R 19/8

Comptroller with compliments.

B 9/8

COMPTROLLER'S O. O. No. 1048/M. Date 20.8.46 Special Section BANGALORE

1967/Spl. D. 16.8.46

Returned with compliments

1. The Auditor reports that Shimoga District is not sending hulling bills regularly for preaudit inspite of a letter written by the Director to the Deputy Commissioner, Shimoga and hence it is not possible to give the latest position of yield of rice from paddy hulled in that District.

Comptroller's Office, | File No.. of 19___.

Serial No.

The Deputy Commissioner, Kadur District has represented that iluvaries fixed by Mr. B. Beerappa, Assistant Director of Food Supplies, after check of several mills in Kadur District should be reduced and recoveries made in preaudit on this account, should be refunded. But several mills in this District are continuing to give the iluvaries fixed by Mr. Beerappa and the iluvaries fixed are in themselves, in some cases, a little lower than the minima fixed by Government, though within the additional 2% lesser limit which can be sanctioned by the Director. One of the grounds urged by this Deputy Commissioner is that in malnad the paddy includes much Jollu. But as the Government notification makes it clear that the rates paid are only for clean paddy and many millowners are, as a matter of fact, understood to be taking paddy from the ryots after getting the 'Jollu' weeded out and the need for accepting such paddy or for asking a lower iluvari on this account cannot be understood. The position will however ~~will however~~ be continued to be watched.

2. A special report has been sent to Government.

3. The prompt and regular submission of these statements of transfers will be insisted upon.

4. There is not much improvement in the receipt of shortage returns or in writing off of shortages in the ledgers without receipt of competent orders.

5. There is now much improvement in the prompt

File No. of 19___. Comptroller's Office,

Serial No.

receipt of stock verification reports and the actual verification of stock, though, as pointed out under the Annexure to the latest report for the half year ending 30th June 1946, under the heading 'Excessive Shortages' some cases of heavy shortages recorded a few days after the verification of stock indicate that the stock verification had not been properly done, unless, it could be proved that the shortages occurred in the short interval. Such cases are being carefully watched in local audit.

6. As pointed out in the latest report, the stock continues to be high and the purchase of some fresh gunnies in the half year ending 30th June 1946 has been commented upon as unnecessary.

7 & 8. These points will be dealt with by the Administration. The position as regards agreed and cash and stock accounts is still unsatisfactory as pointed in the latest report.

9. The total amount held under objection continues to remain very high as pointed out in the latest report. A report will be submitted to Government about objections not replied to in time. In several cases where serious objections had already been reported to Government, reminders are being sent by Government for the early clearance of the objections.

10- Some of the items of defalcations and other serious irregularities a further list of which is ~~included in the Annexure to the latest report also~~

Food Supply Accounts and audit for the half year ended 30-6-45

Comptroller's Office, | File No. A 79 of 1946

1089

Serial No.

included in the Annexure to the latest report also- will be included in the audit report to be submitted to the Public Accounts Committee as suggested.

178
16.X.46.

FINANCIAL SECRETARY'S 16 OCT. 1946 GOVT. OF MYSORE

M Shamanna
Comptroller.

I think I have already noted on these points in another connection. Early.

29/10

TAR 30/10

34) For favour of remarks if any on my notes & the remarks of the Comptr thereon

Deg Foodsupe

28/10

RECEIVED 21 OCT 1946 No. 2291 Revenue

The file referred to in para 35 above, as been received from Minister on 31.X.1946 (Agm No. 1268)

Deg 21/X/46

Receipt will be acknowledged.

This has been rec'd. It may be put up.

Deg EE 7.11.46.

Cypo. No. FD 5281-52/A 173-46-2 dt 27.12.46 regarding the annual report for the Food year ended 30.6.45 has issued. This file will be closed if cypo.

Deg 29/1/47.

29/1/47

A 79-45-1.

Mr. C. SUNDARA RAO, B.A.,
Director of Food Supplies in Mysore.

BANGALORE,

Dated 15th September 1945.

D. O. No. 1813

FOR REVENUE
No. R 599
Date 17-9-45

Dear Sir,

1) Herewith I am sending 9 statements relating to Food Supply Accounts for the period ending 30th June 1945, as promised by me, to be sent on the 15th September 1945.

2) An explanatory memo dealing with figures will be sent in a few days.

3) The total loss shown therein is all due to subsidy given on imported foodgrains (vide statement III), the figure for which is however much more than in Statement No. I.

4) The losses on inessential foodstuffs have been included in the figure by making allowance for depreciation and suitable lower valuation of closing stock.

5) When I return from Mysore, I shall

discuss this with you.

Yours sincerely,

15/9/05

O. Pulla Reddi, Esq., M.A., I.C.S.,
Minister for Revenue, Bangalore.

KSR

Balance Sheet of Feed Supply operations as on 30th June 1945.

Liabilities.

Particulars.	Amount.	Amount.
Advance received from Comptroller.		2,35,53,450- 0- 3
Deposits.		44,23,813-15-10
Advances received from other unit officers.		1,63,83,712- 5- 7
Credit purchases dues.		
Local.	15,09,893-7-6	
Foreign.	25,59,956-4-3	
		40,69,849-11- 9
-do- other unit officers.		3,07,60,345- 3-10
Standard cloth sale proceeds payable to Director of Textiles.		29,57,492- 4- 8
Transport charges payable.		8,95,919-12- 8
Hulling charges payable.		2,96,289- 6- 1
Commission to village officers payable		2,44,672-14- 2
-do- to Comptroller payable.		3,91,806-15- 6
Miscellaneous charges payable.		1,15,734-13-11
Depreciation.		
Lorries.	2,00,000-0-0	
Gunnies.	6,59,215-4-0	
General.	1,85,946-0-0	
		10,45,161- 4- 0
Suspense. (to be credited to final head of account)		10,504-10- 0
Total.		8,51,48,753- 6- 3

Assets.

Particulars.	Amount.	Amount.
Advances: Parties.		17,75,040-10-11
-do- other unit officers.		1,63,83,712- 5- 7
-do- Director of Textiles.		3,84,978-15- 0
Credit sales outstandings:		
Parties.		29,35,979- 6- 7
Other unit officers.		3,12,92,467-11- 3
Cost of weighing machines, scales etc.		64,428- 6- 8
Suspense (amount to be recouped by debit to final head)		2,31,912-11- 8
Refunds payable.		10,302- 0- 0
Closing Stock.		
Foodgrains.	2,57,87,236-13-8	
Gunnies.	9,36,768-14-0	
		2,67,24,005-11- 8
Closing Cash Balance.		
On hand.	4,09,219- 0- 3	
At Bank.	52,09,462- 1- 2	
In P.D.account at the Treasuries.	-30,90,506-14-5	
		25,28,174- 3- 0
L e s s.		28,17,751- 3- 11
Total.		8,51,48,753- 6 - 3

Dr. of P/s)

Auditor and Accounting Officer,
Food Supplies Department.

3 TI

Profit and Loss Account of Feed Supply operations (State) for the half year ended 30th June 45.

Particulars.	Amount.	Amount.	Particulars.	Amount.	Amount.
Opening Stock: Foodgrains.	1,03,57,436-9-3		Sales: Cash Sales.		2,78,60,237- 1- 6
Gunnies.	11,93,431-9-0	1,15,50,868-2-3	Stock transferred to Other unit officers.		1,48,76,832- 4 -8
Purchases: Local.	3,62,47,204-15-11		Miscellaneous Receipts.		1,30,297- 8-11
-do- Foreign.	29,16,035-14-0		Closing Stock:		
		3,91,63,240-13-11	Foodgrains.	2,57,87,236-13-8	
Stock transferred from Other unit officers.		1,50,20,116- 0- 0	Gunnies.	9,36,768-14-0	2,67,24,005-11- 8
Transport charges payable.		25,69,474-10- 7	L o s s.		6,95,610-11- 6
Hulling charges payable.		11,18,317-15- 5			
Commission to village officers payable.		3,88,037- 1- 2			
Miscellaneous charges payable.		3,41,260- 1-11			
Depreciation: Lorries	50,000-0-0				
Gunnies.	85,668-9-0	1,35,668- 9- 0			
Total.		7,02,86,983- 6- 3			7,02,86,983- 6- 3

Auditor and Accounting Officer,
Feed Supplies Department.

4 TL

Statement of Subsidy for the period 1-1-45 to 30-6-1945.

	Quantity received.	Purchase rate.	Selling rate.	Subsidy.
1. Broken rice, Karachi.	9,398 bags of 2 1/2 Mds. each.	12-8-0, 10/- and 9-8-0 a maund F.O.R. Karachi.	15 - 10 - 0 a palla	1,96,023
2. Broken rice, Rajnandgaon.	1,800 bags of 2 1/2 maunds.	6-8-0 a maund F.O.R. despatching station.	15 - 10 - 0 "	14,017
3. Rice, Kapurthala.	4,474 bags of 2 1/2 maunds each.	12-6-9 a maund F.O.R. despatching station.	32 - 9 - 0 "	44,855
4. Rice, Karachi.	91,594 bags of 2 1/2 maunds each.	11-5-0, 10-13-0 and 8-15-0 a maund.	32 - 9 - 0 "	4,04,369
5. Broken rice, C.P. & Berar.	5,003 bags (13,593 - 18 seers).	@ 8-4-0 a maund F.O.R. despatching station.	24 - 4 - 0 "	13,210
6. Cost of Paddy.	1,55,256 - 48 seers.	12-8-0 a palla (paddy)	28 - 7 - 0 "	1,50,000
-do- Rice.	26,007 - 37 "			
			Total.	8,22,474

Note.

Subsidy to end of December 44 as per previous reports.	..	Rs. 27,04,626/-
Current subsidy.	..	8,22,474/-
Total subsidy to date.	..	35,27,100/-

Auditor and Accounting Officer,
Food Supplies Department.

BTS/

IV

5

Statement shewing acquisition of foodgrains during the half year ending 30-6-45.

Sl.No.	Commodity.	Quantity.		Cost.
	Local.	P.	Srs.	
1.	Paddy No. I.	6,34,523 -	85	84,29,150- 4- 3
2.	Paddy No.II.	8,86,854 -	63	1,02,23,729- 5- 1
3.	Paddy No.III.	1,56,839 -	02	17,18,242- 5- 6
4.	Ragi.	5,79,472 -	15	81,88,522- 4- 6
5.	Jola.	56,413 -	68	7,88,270- 0- 1
6.	Rice (small quantities through Police)	417 -	23	11,432-12- 9
7.	Wheat & wheat products.	392 -	74	13,857- 5- 2
8.	Other millets (Save, Haraka, Navane etc.)	21,184 -	50	2,71,334-10- 0
	Paddy & rice from Coorg.			
1.	Paddy.	1,55,256 -	48	20,07,342- 8- 0
2.	Rice.	26,007 -	37	7,27,841- 1- 1
3.	Other commodities (Sugar etc.)			38,67,482- 7- 6
			Total.	3,62,47,204-15-11
	Foreign.			
1.	Urd & Urd dhall, Hyderabad and Rajnandgaon.	8744 bags.	24,046 Mds.	3,20,045-15- 0
2.	Broken rice, Karachi, Rajnandgaon, C.P. and Berar.	16201 "	41,588 " 18 Srs.	3,88,247-11- 9
3.	Wheat products, Hyderabad.	1920 "	196 lbs. each.	90,765- 3- 0
4.	Bajra, Punjab.	197 "	519 Mds. 18 Srs.	4,170- 7- 6
5.	Rice, Karachi, Kapurthala and Chitteer.	71297 "	1,78,219 Mds.	21,12,806- 8- 0
			Total.	29,16,035-13- 3
	Foreign purchases of foodgrains supplied to C and M Station.			
1.	Wheat products, Hyderabad ..	570 bags	of 196 lbs.	26,932- 8- 0
2.	Rice, Karachi	25131 "	of 62827 Mds. 20 Srs.	7,10,971-10- 0
3.	Urd & Urd dhall, Hyderabad.	1650 "	4537 Mds. and 20 Srs.	63,671-10- 4
			Total.	8,01,575-12- 4

Audited & Accounting Officer,
Food Supplies Department.

BTS/

V 6

Statement of Closing Stock of foodgrains etc., as on 30th June 1945.

Sl.No.	Commodity.	Quantity.	Cost.
1.	Paddy No. I.	3,20,769 - 43	42,80,813-12- 0
2.	-do- No.II.	5,85,957 - 69	66,72,957-12-0
3.	-do- No.III.	82,733 - 70	8,73,915- 2- 0
4.	Rice No. I.	82,997 - 95	24,81,363- 6 -2
5.	-do- No.II.	1,20,616 - 51	30,00,408- 8- 0
6.	-do- No.III.	10,444 - 19	2,38,502- 5- 6
7.	Ragi.	4,39,599 - 27	61,64,788- 8- 3
8.	Broken rice.	9,913 - 24	1,24,777-12- 9
9.	Jola.	21,880 - 61	2,99,392-13- 3
10.	Save.	1,594 - 42	19,686- 5- 0
11.	Navane.	9,264 - 67	1,18,158-15- 0
12.	Haraka.	5,323 - 76	65,359- 2- 0
13.	Tur dhall.	13,861 - 25	2,41,575-14- 3
14.	Urd dhall.	4,245 - 62	1,99,292-13- 0
15.	Urud.	8,996 - 73	2,84,034- 7- 0
16.	Sajje.	1,791 - 22	23,227- 12-0
17.	Bengal gram.	30 - 16	609- 6- 0
18.	Bran.	2,543 - 73	17,407-12- 9
19.	Wheat.	1,477 - 80	38,013- 9- 0
20.	Soji.	Mds. 3,247 - 0	15,749- 8- 0
21.	Wheat flour.	" 4,044 - 6 Viss.	16,301-13- 0
22.	Maida.	" 704 - 2 "	3,798-15- 0
23.	Sugar candy.	" 1,180 - 2 "	6,321- 5- 9
24.	Sugar.	" 99,550 - 0	4,94,922- 1- 0
25.	Gunnies.	25,64,957)	9,40,080-10- 0
	Empty tins.	4,405)	
26.	Bura sugar.	" 2,315 - 7 Viss.	12,080- 8- 0
27.	~~Standard cloth~~		~~7,95,940-9-10~~
28.	Jaggery.	" 3,339	6,533-12- 0
29.	Kerosene oil.	Tins. 13,073 - 15 bottles.	65,372- 4- 0
30.	Fuel & charcoal.		18,558-15- 0
		Total:	~~2,76,39,046-5-6~~
			2,67,24,005-11-8

Auditor & Accounting Officer
Food Supplies Depar

BTS/

7 VI

Cash Account for the half year ending 30th JN 1945.

Receipts.			Payments.		
Opening balance, on hand.	19,07,309-13-10		Cash purchases.		4,44,82,693- 2- 1.
-do- At Bank.	72,25,574- 4- 3		Payments to other units for credit purchases.		1,23,34,356- 2- 0
-do- In P.D. account.	98,77,044- 1- 7		Transport charges.		30,50,558- 5- 7
		XXXXXX 1,90,09,928- 3- 8	Hulling charges.		11,21,196- 5- 5
Sale proceeds: Foodgrains.		2,77,08,958-11- 6	Commission to village officers.		2,80,626- 7- 8
-do- Standard cloth.		30,46,968- 5- 0	Miscellaneous.		2,85,619-11- 4
Credit sale receipts from other units.		1,07,95,607-12- 2	Deposit refunds.		1,34,361- 7- 1
Deposits.		42,21,014-11- 2	Advances.		1,21,67,918- 3- 9
Refund of Advance.(parties)		1,13,99,223- 5- 3	Dead stock articles like weighing machines, weights etc.		13,125-11- 4
-do- from Standard Cloth (No.II account)		15,00,000- 0- 0	Suspense (amount to be recouped by debit to the head 32 B War expenditure.)		1,58,609- 8- 4
Miscellaneous receipts.		1,25,297- 8-11	Standard cloth (Director of Textiles)		12,80,110-10- 7
Suspense.		20,472-10- 3	Advances to other units.		1,12,37,702-0- 10
Amounts received from other units.		1,12,37,702- 0-10	Closing Balance.		
Commission recovered.		9,878-10- 3	On hand.	4,09,219- 0-3	
			At Bank.	2,09,462- 1-2	
			In P.D. account.	0,90,506-14-5	
					25,28,174- 3- 0
		8,90,75,051-15- 0			8,90,75,051-15- 0

Auditor and Accounting Officer,
Food Supplies Department.

VII

Balance Sheet of Standard Cloth Account (State) as on 30th June 1945.

Liabilities.	Rs. A. P.	Assets.		Rs. A. P.
Comptroller	35,00,000 - -	Sale proceeds due from Deputy Commissioners.		29,57,492- 4-8
Director of Food Supplies.	3,84,978-15-9	Closing Stock.		9,43,507- 0-4
Dyeing charges payable.	64,145- 7-0	Closing Cash:		
Controller of Supply Accounts.	30,58,203- 7-0	In P.D. account.	27,56,935-1-9	
Profit.	60,942- 3-3	In transit.	4,10,335-9-6	
				31,67,270-11-3
	70,68,270- 0-3			70,68,270- 0-3

Auditor and Accounting Officer,
Food Supplies Department.

BTS/

VIII

Profit and Loss Account of Standard Cloth up to end of 30 - 6 - 1945.

TO		By	
Purchases paid.	39,11,865- 0- 3	Sales.	61,90,320-12-11
-do- payable.	30,58,203- 7- 0	Miscellaneous Receipts.	11,519-12- 3
Dyeing charges paid.	50,191- 8- 0	Closing Stock.	9,43,507- 0- 4
-do- payable.	64,145- 7- 0		
Profit.	60,942- 3- 3		
	71,45,347- 9- 6		71,45,347- 9- 6

Auditor and Accounting Officer,
Food Supplies Department.

BTS/

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE. Fe 25/9(1)

Comptroller's Office, Bangalore.

No. 2207 Spl. Dated the 19th September 1945.

DEWAN'S OFFICE
26 SEP 1945
NO 2005

The Financial Secretary to Government,
Bangalore.

Sir;

Report on the Food Supply Accounts and Audit for half-year ending 30-6-1945.

FINANCIAL SECRETARY
19 SEP. 1945
GOVT. OF MYSORE

I have the honour to forward, herewith, a copy of the Report on the Accounts and Audit of the Food Supply Department sent up by the Auditor & Accounting Officer of the Department.

A copy of the Report has been given to the Director of Food Supplies for taking suitable action where-ever required.

FINANCIAL SECRETARY
20 SEP 1945
3385

I have the honour to be,
Sir,
Your most obedient servant,
M Shamanna
Comptroller.

Submitted for perusal.
A small note will be prepared & submitted for the Dewan's Darara Address
Dewan

B 25/9
Yes a copy of the report may also be sent to Dew secy for review on 27.9

instalment only and also due to the increased prices paid for the grains acquired, there was a heavy demand for funds during the current half year. In fact, the cash balance of Rs. ~~xxxxxxxxxx~~ 65,28,174-3-0 is the lowest on record at the end of any half - year, ever since the commencement of the Food Supply operations. Even this balance was possible only after utilising a sum of - - Rs. 39,50,000-0-0 from the mill owner's deposits in the Mysore - Bank. The total balance under Personal Deposit Accounts in the Treasuries is actually a minus figure i.e., an over-drawal to the extent of Rs. 30,90,506-14-5. This is due to Shimoga District - having allowed Treasury/without any authority, over-drawals amounting to the - very high figure of Rs. 89,63,855-6-4. The over-drawal was - - noticed at the end of last half year only when it was comparatively small. A D.O. letter was written by the Director of Food Supplies to wipe out the over-draft by recovering the dues to the district or by obtaining extra funds. It is true that heavy amounts were due to this District from other units, but it was highly irregular on the part of Shimoga District Treasury to have allowed such - - heavy over-drawals and on the part of the Deputy Commissioner not to have regularised it in time. The surplus balances in all the other Treasuries put together were not enough to wipe out the - - over-draft and the result is a net minus balance in the Treasury Now that the I.D. Accounts at the Treasuries have been abolished and the cash resources are pooled together under control of the Director, action will be taken to wipe out this over-draft without asking for fresh advances from Government, especially as the - acquisition season is now practically over.

Further report to be called for

There are just now sufficient funds available to meet the heavy payments to be made outside the State including about - - Rs. 50 lakhs to be paid for Bengal rice and provided we do not go in for further heavy purchases outside the State on Government -- account, I do not expect there will be any need for taking fresh advances from Government.

The cash position may be viewed in another light. Against an advance of Rs. 2,35,53,450-0-3 taken from Government, we held a closing stock of Rs. 2,67,24,005-11-8 not including Bengal ri

Report on the accounts of the Food Supply Department for the half year ending June 1945.

I attach hereto the consolidated Cash Account, SA I The Profit and Loss Account for the half year ending June 1945 and the Balance Sheet as at end of the Food Supply operations as at end of 30-6-45. The cash transactions have been agreed with the Treasury figures. The Stock accounts have been agreed with the Cash account and the transfers of stock from District to District also tallied. This is the first half year in which it has been possible to complete reconcile the transfers of stock due to the improved maintenance of initial accounts. The figures as regards outstanding liabilities like transport charges payable have been taken on the best information available after testing them with the quantities of stocks acquired or handled pending receipt of bills for railway credit notes issued etc.

Why? A correct amount ought to be available

The Accounts.

As ordered by Government, the Standard Cloth Account has been separated from the Food Grains Account. But due to the fact that transport and handling charges of Standard Cloth are incurred from the same funds placed at the disposal of the Deputy Commissioners and ~~often~~ often, the standard cloth bales have been carried in the same lorry or cart along with food grains, it has not been possible to assess accurately the charges that properly relate to standard cloth. In the accounts now separated, these charges have been assumed on the basis of the number of bales handled, the leads in the interior of the District and the number of Government sale depots, pending receipt of more reliable details from the Deputy Commissioners which have been called for. The Fuel and Charges supply transactions of Bangalore City have also been separately worked out and these show a loss of Rs. 37,972-14-4 as compared with the sales of Rs. 8,00,625-14-2, the percentage of loss being slightly higher than in the previous half year.

The Cash position.

Due to the special feature of the current harvest in acquiring the entire surplus from each declared holder in one instalment

But the stock by itself includes stocks for which payments have not been made

rice which arrived in July 45; that is to say, the stock balance by itself was more than the advance taken by about Rs.32 lakhs - and it is as much as we can do to meet the several demands promptly as and when they arrive and there is no possibility of refunding - to Government any portion of the advance taken in the near future. The mill owners' Deposit account has been a welcome source of help to the cash position and its contemplated abolition may necessitate the taking of fresh advances from Government during the next harvest acquisition, if similar conditions prevail.

Purchases.

Foodgrains worth Rs. 3,62,47,204-15-11 were purchased locally and Rs. 29,16,035-13-3 were imported from outside during the half year. Sl. IV The total of the local and outside purchases for the year 1944-45 is Rs. 4,88,86,644-6-5 and Rs. 1,14,31,075-9-2 respectively, making a grand total of Rs. 6,03,17,719-15-7 for the year In addition, stocks worth nearly Rs. one and half crores were - - received in the deficit areas by transfer from surplus areas.

Credit purchase.

There is a balance of Rs. 15,09,893-7-6 payable to the local suppliers of foodgrains at the end of the half year. Making - - allowance for a sum of nearly Rs. 7 lakhs payable to suppliers of fuel and charcoal to Bangalore City, the balance of about Rs. 8 lakhs - is the lowest credit purchase balance, as compared with previous periods. While it is gratifying to note that ryots and other - - suppliers of foodgrains have been paid more promptly this half - year in spite of the heavy acquisition, we are still far from the ideal of spot payment on delivery of grains which is necessary - - both to avoid complaints from the suppliers and complication in accounts. The heaviest balances of about Rs. 2 lakhs and one - - lakh were payable in Mysore and Mandya Districts respectively, - while the lowest balances were in Hassan and Shimoga Districts - with the balances of about Rs. 25,000/- and Rs. 37,000/- respectively.

Sales.

The total sales of foodgrains during the half year were for Rs. 2,78,60,237-1-6. The total sales for the year were - - -

were Rs. 5,36,11,669-10-7. The balance outstanding under credit sales at the end of the half year was Rs. 29,35,979-6-7. Generally speaking, there were no credit sales to individuals except in - - Bangalore City where, under Government orders, the requirements of retail dealers up to two months in advance were issued on a credit basis. There are however credit issues of magnitude to Government Departments and in some cases to Societies, the largest amount -- i.e., Rs. ~~7,15,513-10-0~~ 21,67,513-10-0 being due from C and M Station, Bangalore. When, as in the case of Shimoga District and the office of the - - Assistant Director of Food Supplies (Depots), the credit issues - are not promptly and correctly ledgered, recoveries posted and -- balances watched, it will result in considerable trouble in agreeing cash and stock accounts besides delay in recovery of amounts due to the Department. It is necessary to keep down the balance under this head at the minimum, if credit issues could not be - - altogether avoided.

why

Closing Stock.

Statement V shows the details of the Closing Stock on 30th - June 45 worth Rs. 2,67,24,005-11-8. If Bengal rice received in - July 45 is taken into account, the closing stock is worth over -- Rs. 3 crores and is the heaviest balance of stock as compared with those of the previous periods. This heavy stock naturally - - - involves correspondingly higher losses due to drainage, deterioration attack by rats etc., This heavy stock this year is mainly due to the acquisition of grains in a lump from the declared holders. The heavy ~~xxxx~~ stock involves also extra cost to Government on account of renting or construction of fresh godowns, claims by mill owners for extra interest and fire insurance charges payable and extra -- drainages incurred by them. As the possible loss under these heads could be roughly estimated at Rs. 5 lakhs, the desirability of - - reverting to the procedure of acquiring stock by instalments and paying storage fees to the ryots in necessary cases, requires to be seriously considered. After all, taking allowance for the - - higher price we paid for the purchase of grains this time, the -- total grains secured is not appreciably more than in the previous -- year.

16

The closing stocks have been valued conservatively not - - exceeding the purchase price or selling price whichever is less making a suitable allowance for a drinage of 1 to 2 per cent under paddy and possible deterioration under other articles as noted -- below.

1. Tur dhall. There has been considerable delay in the -- disposal of this article and it has deteriorated much. Last half year, the closing stock was valued at Rs. 25 per palla. It is now seen that this value cannot be secured and consequently, it is - - valued now at Rs. 18/- per palla. It is likely that this price -- could be secured if all the dhall is disposed of quickly. Even -- then, the loss under this commodity will be about Rs. 3,71,587/-.

Same old better prices have been secured

2. Urd ~~xxxxx~~ (whole) There is nearly nine thousand pallas in stock and the sale of this is inappreciable. It sells well when converted into dhall. But conversion in Mysore involves heavy - - loss. The urd has begun to deteriorate and if heavy loss as under Tur dhall is to be avoided, the whole stock of urd has to be - - disposed of quickly.

3. Minor millets. There is a stock of 19,000 pallas under minor millets valued Rs. 2,27,000/-. The sales under these are very poor. Especially as regards Haraka, we appear to have made mistake in fixing its purchase and selling prices, as the yield after removal of several layers of its husk, is stated to be only 40 per cent and this grain would then be as costly as fine rice. Considering that the total quantity of the minor millets acquired is so small compared to the other millets and the forced issue of these against rations creates resentment in the minds of the people it is for serious consideration that we could omit the minor millet altogether from the next acquisition programme.

Yes We have also to provide for a loss

4. Gunnies. There is an excessive stock i.e., 25,64,957 - - gunnies on hand. Now that the War is over, it is likely the price of ~~Godowns~~ gunnies will go down fast. Shimoga District alone had a stock of 6,22,750 bags, it having purchased during this half year - - - 5,28,650 bags at a cost of Rs. 3,67,084/-. This stock is far in excess of the requirements of closing stock ~~xx~~ of foodgrains in - this District. Though there is a total provision of 6 1/2 lakhs - ~~for~~ depreciation on gunnies, careful handling of this item will be

will be required before we can realise the balance of about - - Rs. 3 lakhs shown in the Balance Sheet. It has to be seen that by a better turn over ~~that~~ the existing stock is fully utilised before fresh gunnies are allowed to be purchased.

b. There are other small items (177 bags of wheat at Hassan, 500 bags wheat flour and 50 bags jola in A.D.F.S. Depot Section) which are in a highly deteriorated condition and would fetch very little value. These have not been valued and included in the - - closing stock. It appears necessary to get a regular monthly - - return of articles showing deterioration from each district, (as - this information is not being furnished in any of the returns now received) to watch their speedy disposal.

Shortages.

Statement VI shows the shortages under several articles for the whole State amounting to Rs. 2,45,157-1-0 ~~2,45,157-1-0~~. Though this works out to about one per cent on the total cash sales, the shortage under rice is over one and a half per cent worth nearly one lakh of rupees. The loss of about Rs. 2 lakhs annually under this one item requires greater scrutiny over shortages. But unfortunately monthly shortage statements are not being received as required by the Account instructions from any unit, except the Assistant - - Director of Food Supplies (Depots) and to some extent, the Mysore District where shortages are shown in the accounts till orders for write off are passed. The other districts continue to follow the un-authorised procedure of removing the shortages from account, as each consignment is disposed of and it is only at the time of the half yearly compilation of accounts by the Local Auditors these - shortages will come to light.

Stock Verification.

Stock Verification Reports are now being received regularly - from all the units monthly, except the Asst. Director of Food - - Supplies (Depots) Bangalore who arranged stock verification only once at the end of the half year. A few cases have come to light where the Book balances though obviously wrong, have been certified as "checked" by the subordinate officers. It is necessary arrange for systematic stock verification and periodical surpri check by higher officers, noting down also the condition of -

of articles especially in view of the heavy stocks we are now holding.

Lorries.

84 Lorries have been purchased by the Food Department at a cost of Rs. 6,26,078-9-0 Of these, only four new lorries have been handed over to private people at cost price, keeping them available for Food supply work. The rest of the lorries are being worked by Government Agency with the risk of heavy depreciation and loss. About 20 partly used lorries which were intended to be handed over to a private company for fuel supply work have still not been handed over, but new lorries were given instead. It is necessary to take stock of our position as regards lorries to see how many of them are lying sick, for what periods, what is the total maintenance charge, what is the outlay on spare parts and machinery and keeping all this in view what it costs us to transport one palla of grain per mile by Government Agency and how much we are losing on this account. Though a provision of Rs- 2,00,000/- has now been made for depreciation on lorries, I am afraid that due to the closure of the war, this provision seems to be insufficient.

Financial results of working.

The financial result of working of the Scheme during this half year is a loss of Rs. 6,95,610-11-6. This is entirely covered by the subsidy on imported grains shown in statement VII amounting to Rs. 8,22,724/-.

(1) The difference between these two figures, (2) the losses on account of shortages and depreciation referred to above, and (3) the subsidy on local grains by lowering the prices of medium and coarse rice to a minimum of 3 1/2 seers and 4 seers respectively and rounding off the selling price of ragi to the next higher pavu, are all covered by the existing difference between the Purchase and Selling rates. There is a complaint by some merchants that Government have kept this difference rather high. But, if we take the depot charges and charges on subordinate supervision amounting to Rs. 9,55,115/- which are now directly charged to Revenue Budget, while they are really chargeable to the Trading account, there will be really no profit at all; but

but a net loss of Rs.8,28,001-11-6 There is therefore no scope to reduce the existing margin. The total subsidy on imported foodgrains so far given is Rs. 3,27,100/- as against a net loss of Rs. 25,28,174-3-0 and total depot charges and subordinate supervision amounting to Rs.27,55,115/- , the excess of depot charges of Rs. 1756189/- thus paid is also an indirect subsidy to the consumers.

A provision of Rs. 25 lakhs has been made in the revised Budget for 1944-45 to write off the subsidy on imported grains. In view of the net loss of Rs. 28,17,751-3-11 shown in the Balance Sheet, a recommendation is being separately sent to Government to write off the loss to an extent of Rs. 25 lakhs in the June 45 final accounts of the Comptroller.

Coming to the examination of the results of working in - - - districts, both Bangalore City and Mysore City Rationing units -- show a sufficient profit after making allowance for subsidy items. The profit in both these cases is almost equal to the Depot charges at the Government scale. There is thus no ground for complaint of the retail merchants for further enhancement of commission now paid to them. Due to the good 'illuvary' of rice in Mysore - - district, a profit of Rs. one lakh is realised, but due to the booking of the transactions relating to the Coorg paddy and rice in its account, it shows a net deficit of about Rs. 67,000/-. - - Mandya District for a similar reason has shown a surplus of - - - about Rs. 29,000/-. Shimoga and Kadur Districts have both shown deficits due to the poor 'illuvary' of rice. Shimoga District in particular shows a heavy deficit of over Rs. 1 1/2 lakhs due to the additional reason that heavy transport charges have been - - incurred in moving rice to Bhadravati by road all the way from distant places like Nagar, Hosanagar, Shikaripur and Shiralakoppa, instead of to the nearest rail heads stated to be due to want of accommodation. Even the present godown at Bhadravati necessitates payment of fairly heavy un-haulage charges to the Mysore Iron Works. The Assistant Auditor, Food Department, Shimoga Circle has been asked to investigate the comparatively very heavy transport charges per palla of the grain transported in this District.

Transfers of Stock.

There has been considerable delay in the deficit districts -- paying up the values of stocks transferred from other districts, the balance due to be settled under this reading being over Rs.3 crores. Prompt payment of this amount would have automatically ensured that all stocks transferred were correctly taken to account at the other end, that there were no excessive shortages and to - prefer claims against Railway or other Transport Agency for entire bags not received. The monthly statements of transfers of stock for both receipts and issues are still not being received in the Director's office and it has not been possible to keep a control over these transfers in the Central office. As stated previously, the stocks transferred during the half year were completely agreed during the compilation of accounts by the Local Auditors. Due to the closing of the P.D. accounts, several bills were passed towards the end of June 45 and R.T.R.'s amounting to about Rs.15 lakhs were sent before the close of the month. But these amounts were received by the other districts only during July 45; this resulted in the amount due ~~from~~ to other unit officers on the liabilities side being less than the outstanding shown as due from other unit officers on the Assets side by about Rs. 5 lakhs. The amounts thus transferred will be verified as soon as the cash accounts for July 45 are - - received. There has however been a net surplus on the liabilities side which, as explained in the previous reports, has the effect of a reserve which will be useful to meet possible shortage on the Assets side under (1) advances from which expenditure might have been incurred but accounts have not been rendered and (2) Depreciation of closing stock at the time of the closure of Food Supply operations.

Advances.

Out of the sum of Rs. 17,75,040-10-11 shown against parties as such as Rs. 8,97,373-0-3 relates to advances to Supply Departments in British India and another sum of Rs. 5 lakhs given to -- Messrs. Shaw Wallace & Co., for handling Bengal rice. As the -- stocks covered by these items were not received before 30-6-45, the amount is shown under advance. Out of the balance of about Rs. 7 lakhs, a good portion is outstanding against the Super- -

Sugar Company which insists on advance payment even from Government Departments. Full details are available for the balance.

The advance of Rs. 1,63,83,712-5-7 shown against other unit officers finds a corresponding entry on the liabilities side and this is due to transfer of funds from one unit to another as the acquisition operations progressed. As the P.D. accounts have now been abolished, this item will not appear in future Balance - - - Sheets.

Deposits: Rs. 44,23,813-15-10. Out of this amount, a sum of Rs. 39,50,000/- represents the amounts taken over from the Mill - owners' Deposit in the Mysore Bank temporarily to finance the - - Food Supply operations. Details are available for the balance.

Suspense (Assets side) Rs. 2,31,912-11-8. Out of this, a -- sum of Rs. 1,25,285-6-6 represents the cost of lorries and other charges temporarily met from the P.D. account pending recoupment from final head and the balance of Rs. 1,06,627-5-2 represents -- amounts creditable to Food Department but mis-classified by the -- Treasuries to other heads. The Treasuries have been addressed to set right the mis-classifications.

Director of Textiles.

Due to the delay by the Deputy Commissioners in remitting the sale proceeds of Standard Cloth, a sum of Rs. 29,57,492-4-8 was due to him, and on this account, an - advance of Rs. 5,84,978-15-0 had to be given to him from the - Director's account to meet the bills of the Controller of Supply Accounts.

The other items in the Balance Sheet do not call for any - special remarks.

Mill owners' Deposits in Mysore Bank.

There was a total balance of Rs. 92,18,408-3-10 held in the several branches of Mysore Bank to cover the value of the paddy left in the custody of the Mill owners. The deposits have not been brought into the Food Departmental accounts, as the amounts are received and adjusted separately. The system of taking adequate deposits from the mill owners and passing their bills after pre audit, has resulted in (1) a distinct improvement in illuvary by

by about 1 per cent in the current period as compared with the -- illuvary got in previous accounting periods.

(2) The mill owners have taken over shortages for transports by road from their Mills to other places by their own agency, though they object to shortages in transport by railway.

(3) Better care is taken in the custody of paddy and rice -- than under the custody of depot clerks and Special Revenue - - - - Inspectors, the abnormal shortages in some cases by the Government staff being now avoided.

(4) The scale of transport charges fixed by Government are - - being adhered to.

It is necessary to see that these advantages are preserved in future arrangements.

Acquisition of new harvest.

Apart from the subsidy on imported foodgrains, Government are incurring an expenditure of Rs. 21,95,100/- on the Food Department which is charged to the Revenue Budget annually. It is therefore - necessary to arrange to close the affairs of the Department as soon as the conditions permit, but in Mysore, the control is intensive and except for paddy and rice, all the food-stuffs are under the -- physical custody of Government. In this respect, ~~xxx~~ we are - - - different from the British Indian Provinces, where, to a large - - extent, the system of wholesale dealers has taken over the custody of the stocks. This has also relieved those administrations, the cost of financing the purchase of these and left the trade almost to the usual channels. We will be taking unnecessary risks by - - continuing to hold large stocks of foodgrains on Government account which it would be difficult to dispose of, without loss and delay when the operations have to be closed. From this point of view -- we are really in a disadvantageous position as compared with the - British Indian Provinces. It is therefore a point for serious - - consideration to bring in the system of wholesalers from the new - harvest alone. This would necessitate a study of the conditions under which wholesalers are working in several places and the - - margin allowed to them and the deputation of an officer early for this purpose to make a report on the several points involved.

Accounts of Districts and other Unit officers.

Out of twelve units, only four i.e., Deputy Commissioners of Mysore, Chitaldrug, the Rationing Officer, Bangalore and the Asst. Director of Food Supplies (Depots) Bangalore are sending cash and stock accounts in the prescribed forms agreeing also the stock and cash transactions. The Deputy Commissioners of Tumkur and Kadur Districts are sending accounts in prescribed forms, but the cash and stock transactions are not agreed. The other units are not sending accounts in the prescribed forms on the ground that they are not receiving in turn monthly accounts from some taluks.

Now that it is over a year since the full scale of staff required for Taluk and District offices was sanctioned, it ought to be possible to get the accounts from the taluks by putting suitable pressure.

It is seen that the initial accounts at the depots are kept with the prescribed details, but the trouble occurs in Taluk offices where payments are made on the basis of Depot clerk's acknowledgements on M.S. No.3 without noting the fact of payment in the stock returns of the depots. This makes it difficult to extract the unpaid items of stock and to reconcile the cash and stock accounts. As this is a simple item of work and also a safe procedure, its non-observance in spite of instructions several times by the Local Auditors during their visits to the Taluks, has to be seriously discouraged.

A statement (VIII) showing several returns received as at end of June 48 is enclosed and this shows how much the submission of returns is in arrears.

Central Office Accounts.

These are kept up to date and the Exchange Accounts, Account Current and Verification statement of the Director's P.D. account are being submitted monthly to the Comptroller.

Central Audit.

The pre-audit work is up to-date. The post audit of establishment and contingent bills is in arrears by eight months. The post audit of T.A. bills as also the audit of bills payable from the Director's P.D. account are up to date. The arrears of audit -

audit in Establishment and Contingent bills was due to want of -- staff and is expected to be cleared by end of December 1945.

Local Audit.

Statement IX shows the progress of Local Audit in the several districts and other units. It will be seen that the local audit is in arrears by an average of 9 months as against an arrears of only 6 months at the end of June 44. This retrogression is due to the fact that the required number of hands according to the Basic Scale were not available, while at the same time, the number of Government depots increased and has now reached the neighbourhood of a thousand. Even according to the reduced basic scale sanctioned -- in G.O. No. 704-6/G.F.1-44-34 dated 9-8-45, the number of hands -- short is 32. But for the direct recruitment allowed in May 44 -- when I was able to get about 35 hands, the present arrears would have been still more. A special report has been made in this -- connection to the Controller to suitably addressed Government in the matter.

However preference is given to audit of the closed depots in all places. I should also add that if the Taluk and District accounts had been made out regularly, the time of about one to one and a half months now taken by Local Auditors for compiling the account of the State could have been utilised to clear the arrears of -- audit work.

Inspections.

The Accounts of all the twelve units were locally inspected by the Gazetted officers of the Audit Department and suitable -- instructions issued.

Objections.

The objections raised in Central audit are for recovery of an amount totalling Rs. 13,957/- and in local audit for - - - - Rs. 5,15,358-13-5; of these, Rs. 3,426/- and Rs. 40,841/-8-5 -- respectively were recovered during the half year. Statement X - shows by districts the objections raised, cleared and pending and the number of Audit reports issued received with replies and -- pending. There is considerable delay in replying to the audit - notes and in recovering the amounts objected to. As recoveries

recoveries become difficult with lapse of time, the disposal of the audit notes requires the urgent attention of all the administrative officers.

Defalcations.

Annexure A gives brief details of cases noticed in audit -- relating to mis-appropriations with manipulation of accounts, -- simple misappropriations, cases which border on misappropriation like excessive shortage in stock, excessive delay in remittances etc. In most of these cases, the amounts involved have been -- recovered but the large number of cases point to the need for -- special vigilance on the part of the supervising officers over the depots in their charge.

Standard Cloth.

Statements XI to XIII show the cash transactions, the Profit and Loss account ever since the commencement of the operations and the Balance Sheet as at end of 30-6-45. I have already -- referred to the separation of these accounts and the amount due on account of sale of Standard Cloth by the Deputy Commissioners earlier in this report. There are no other noticeable features in these statements.

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17. 9. 45.

Auditor and Accounting Officer,
Food Supplies Department.

BTS/

I 16

Cash Account for the half year ending 30th June 1945.

Receipts.			Payments.	
Opening balance, on hand.	19,07,309-13-10		Cash purchases.	4,44,82,693- 2- 1
-do- At Bank.	72,25,574- 4- 3		Payments to other units for credit purchases.	1,23,34,356- 2- 0
-do- In P.D. account.	98,77,044- 1- 7		Transport charges.	30,50,558- 5- 7
		XXXXXX	Hulling charges.	11,21,196- 5- 5
		1,90,09,928- 3- 8	Commission to village officers.	2,80,626- 7- 8
Sale proceeds: Foodgrains.		2,77,08,958-11- 6	Miscellaneous.	2,85,619-11- 4
-do- Standard cloth.		30,46,968- 5- 0	Deposit refunds.	1,34,361- 7- 1
Credit sale receipts from other units.		1,07,95,607-12- 2	Advance.	1,21,67,918- 3- 9
Deposits.		42,21,014-11- 2	Dead stock articles like weighing machines, weights etc.	13,125-11- 4
Refund of Advance.(parties)		1,13,99,223- 5- 3	Suspense (amount to be recouped by debit to the head 32 B War expenditure.)	1,58,609- 8- 4
-do- from Standard Cloth (No.II account)		15,00,000- 0- 0	Standard cloth (Director of Textiles)	12,80,110-10- 7
Miscellaneous receipts.		1,25,297- 8-11	Advances to other units.	1,12,37,702-0- 10
Suspense.		20,472-10- 3	Closing Balance.	
Amounts received from other units.		1,12,37,702- 0-10	On hand. 4,09,219- 0-3	
Commission recovered.		9,878-10- 3	At Bank. 52,09,462- 1-2	
			In P.D. account. -30,90,506-14-5	
				25,28,174- 3- 0
		8,90,75,051-15- 0		8,90,75,051-15- 0

Auditor and Accounting Officer,
Food Supplies Department.

I b

Cash Account for the half year ending 30th June 1948.

Receipts.			Payments.		
Opening balance, on hand.	19,07,309-13-10		Cash purchases.		4,44,82,693- 2- 1
-do- At Bank.	72,25,574- 4- 3		Payments to other units for credit purchases.		1,23,34,356- 2- 0
-do- In P.D. account.	98,77,044- 1- 7		Transport charges.		30,50,558- 5- 7
		XXXXXX	Hulling charges.		11,21,196- 5- 5
		1,90,09,928- 3- 8	Commission to village officers.		2,80,626- 7- 8
Sale preceeds: Foodgrains.		2,77,08,958-11- 6	Miscellaneous.		2,85,619-11- 4
-do- Standard cloth.		30,46,968- 5- 0	Deposit refunds.		1,34,361- 7- 1
Credit sale receipts from other units.		1,07,95,607-12- 2	Advance.		1,21,67,918- 3- 9
Deposits.		42,21,014-11- 2	Dead stock articles like weighing machines, weights etc.		13,125-11- 4
Refund of Advance.(parties)		1,13,99,223- 5- 3	Suspense (Amount to be recouped by debit to the head 32 B War expenditure.)		1,58,609- 8- 4
-do- from Standard Cloth (No.II account)		15,00,000- 0- 0	Standard cloth (Director of Textiles)		12,80,110-10- 7
Miscellaneous receipts.		1,25,297- 8-11	Advances to other units.		1,12,37,702-0- 10
Suspense.		20,472-10- 3	Closing Balance.		
Amounts received from other units.		1,12,37,702- 0-10	On hand.	4,09,219- 0-3	
Commission recovered.		9,878-10- 3	At Bank.	52,09,462- 1-2	
			In P.D. account.	-30,90,506-14-5	
					25,28,174- 3- 0
		8,90,75,051-15- 0			8,90,75,051-15- 0

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Auditor and Accounting Officer,
Food Supplies Department.

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Balance Sheet of Food Supply operations as on 30th June 1945.

Liabilities.

Particulars.	Amount.	Amount.
Advance received from Comptroller.		2,35,53,450- 0- 3
Deposits.		44,23,813-15-10
Advances received from other unit officers.		1,63,83,712- 5- 7
Credit purchases dues.		
Local. 15,09,893-7-6		
Foreign. 25,59,956-4-3		
		40,69,849-11- 9
-do- other unit officers.		3,07,60,345- 3-10
Standard cloth sale proceeds payable to Director of Textiles.		29,57,492- 4- 8
Transport charges payable.		8,95,919-12- 8
Hulling charges payable.		2,96,289- 6- 1
Commission to village officers payable		2,44,672-14- 2
-do- to Comptroller payable.		3,91,806-15- 6
Miscellaneous charges payable.		1,15,734-13-11
Depreciation.		
Lorries. 2,00,000-0-0		
Gunnies. 6,59,215-4-0		
General. 1,85,946-0-0		
		10,45,161- 4- 0
Suspense.(to be credited to final head of account)		10,504-10- 0
Total.		8,51,48,753- 6- 3

Assets.

Particulars.	Amount.	Amount.
Advances: Parties.		17,75,040-10-11
-do- other unit officers.		1,63,83,712- 5- 7
-do- Director of Textiles.		3,84,978-15- 0
Credit sales outstandings:		
Parties.		29,35,979- 6- 7
Other unit officers.		3,12,92,467-11- 3
Cost of weighing machines, scales etc.		64,428- 6- 8
Suspense (amount to be recouped by debit to final head)		2,31,912-11- 8
Refunds payable.		10,302- 0- 0
Closing Stock.		
Foodgrains.	2,57,87,236-13-8	
Gunnies.	9,36,768-14-0	
		2,67,24,005-11- 8
Closing Cash Balance.		
On hand.	4,09,219- 0- 3	
At Bank.	52,09,462- 1- 2	
In P.D.account at the Treasuries	-30,90,506-14-5	
		25,28,174- 3- 0
L e s s.		28,17,751- 3- 11
Total.		8,51,48,753- 6 - 3

Auditor and Accounting Officer,
Food Supplies Department.

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Profit and Loss Account of Food Supply operations (State) for the half year ended 30th June 45.

Particulars.	Amount.	Amount.	Particulars.	Amount.	Amount.
Opening Stock: Foodgrains.	1,03,57,436-9-3		Sales: Cash Sales.		2,78,60,237- 1- 6
Gunnies.	11,93,431-9-0	1,15,50,868-2-3	Stock transferred to /Other unit officers.		1,48,76,832- 4 -8
Purchases: Local.	3,62,47,204-15-11		Miscellaneous Receipts.		1,30,297- 8-11
do- Foreign.	29,16,035-14-0		Closing Stock:		
		3,91,63,240-13-11	Foodgrains.	2,57,87,236-13-8	
Stock transferred from xxxx /Other unit officers.		1,50,20,116- 0- 0	Gunnies.	9,36,768-14-0	2,67,24,005-11- 8
Transport charges payable.		25,69,474-10- 7	L o s s.		6,95,610-11- 6
Hulling charges payable.		11,18,317-15- 5			
Commission to village officers payable.		3,88,037- 1- 2			
Miscellaneous charges payable.		3,41,260- 1-11			
Depreciation: Lorries	50,000-0-0				
Gunnies.	85,668-9-0	1,35,668- 9- 0			
Total.		7,02,86,983- 6- 3			7,02,86,983- 6- 3

Auditor and Accounting Officer,
Food Supplies Department.

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IV

Statement showing acquisition of foodgrains during the half year ending 30-6-45.

Sl.No.	Commodity.	Quantity.	Cost.
	Local.	P. Srs.	
1.	Paddy No. I.	6,34,523 - 85	84,29,150- 4- 3
2.	Paddy No.II.	8,86,854 - 63	1,02,23,729- 5- 1
3.	Paddy No.III.	1,56,839 - 02	17,18,242- 5- 6
4.	Ragi.	5,79,472 - 15	81,88,522- 4- 6
5.	Jola.	56,413 - 68	7,88,270- 0- 1
6.	Rice (small quantities through Police)	417 - 23	11,432-12- 9
7.	Wheat & wheat products.	392 - 74	13,857- 5- 2
8.	Other millets (Save, Haraka, Navane etc.)	21,184 - 50	2,71,334-10- 0
	Paddy & rice from Coorg.		
1.	Paddy.	1,55,256 - 48	20,07,342- 8- 0
2.	Rice.	26,007 - 37	7,27,841- 1- 1
3.	Other commodities (Sugar etc.)		38,67,482- 7- 6
		Total.	3,62,47,204-15-11
	Foreign.		
1.	Urd & Urd dhall, Hyderabad and Rajnandgaon.	8744 bags. 24,046 Mds.	3,20,045-15- 0
2.	Broken rice, Karachi, Rajnandgaon, C.P. and Berar.	16201 " 41,588 " 18 Srs.	3,88,247-11- 9
3.	Wheat products, Hyderabad.	1920 " 196 lbs. each.	90,765- 3- 0
4.	Bajra, Punjab.	197 " 519 Mds. 18 Srs.	4,170- 7- 6
5.	Rice, Karachi, Kapurthala and Chittoor.	71297 " 1,78,219 Mds.	21,12,806- 8- 0
		Total.	29,16,035-13- 3
	Foreign purchases of foodgrains supplied to C and M Station.		
1.	Wheat products, Hyderabad ..	570 bags of 196 lbs.	26,932- 8- 0
2.	Rice, Karachi	25131 " of 62827 Mds. 20 Srs.	7,10,971-10- 0
3.	Urd & Urd dhall, Hyderabad.	1650 " 4837 Mds. and 20 Srs.	63,671-10- 4
		Total.	8,01,575-12- 4

Auditor & Accounting Officer,
Food Supplies Department.

BTS/

I

Statement of Closing Stock of foodgrains etc., as on 30th June 1945.

Sl.No.	Commodity.	Quantity.	Cost.
1.	Paddy No. I.	3,20,769 - 43	42,80,813-12- 0
2.	-do- No.II.	5,85,957 - 69	66,72,957-12-0
3.	-do- No.III.	82,733 - 70	8,73,915- 2- 0
4.	Rice No. I.	82,997 - 95	24,81,363- 6 -2
5.	-do- No.II.	1,20,616 - 51	30,00,408- 8- 0
6.	-do- No.III.	10,444 - 19	2,38,502- 5- 6
7.	Ragi.	4,39,599 - 27	61,64,788- 8- 3
8.	Broken rice.	9,913 - 24	1,24,777-12- 9
9.	Jola.	21,880 - 61	2,99,392-13- 3
10.	Save.	1,594 - 42	19,686- 5- 0
11.	Navane.	9,284 - 67	1,18,158-15- 0
12.	Haraka.	5,323 - 76	65,359- 2- 0
13.	Tur dhall.	13,861 - 25	2,41,575-14- 3
14.	Urd dhall.	4,245 - 62	1,99,292-13- 0
15.	Urud.	8,996 - 73	2,84,034- 7- 0
16.	Sajje.	1,791 - 22	23,227- 12-0
17.	Bengal gram.	30 - 16	609- 6- 0
18.	Bran.	2,543 - 73	17,407-12- 9
19.	Wheat.	1,477 - 80	38,013- 9- 0
20.	Soji.	Mds. 3,247 - 0	15,749- 8- 0
21.	Wheat fleur.	" 4,044 - 6 Viss.	16,301-13- 0
22.	Maida.	" 704 - 2 "	3,798-15- 0
23.	Sugar candy.	" 1,180 - 2 "	6,321- 5- 9
24.	Sugar.	" 99,550 - 0	4,94,922- 1- 0
25.	Gunnies. Empty tins.	25,64,957) 4,405)	9,40,080-10- 0
26.	Bura sugar.	" 2,315 - 7 Viss.	12,080- 8- 0
~~xxxxxxxxxxxxxxxxxx~~			~~xxxxxxxxxxxxxx~~
28.	Jaggery.	" 3,339	6,533-12- 0
29.	Kerosene oil.	Tins. 13,073 - 15 bottles.	65,372- 4- 0
30.	Fuel & charcoal.		18,558-15- 0
		Total.	~~xxxxxxxxxxxxxx~~ 2,67,24,005-11-8

Auditor & Accounting Officer,
Food Supplies Department.

BTS/

W.S. 32

Statement of subsidy on sales of foodgrains purchase om outside the State for the half year ended ~~30th June 1944~~ 31st Dec 1944.

Sl. No.	Particulars.	Quantity purchased	Purchase rate.	Selling rate.	Loss	Remarks.
1.	Millets from the Punjab	3,384 Bags	26-4-0 and 30-6-0 per palla.	14-8-0 and 12-15-0	386/-	
2.	Karachi Rice ---	33,063 Bags (2-1/2 Mds. each)	61-0-0 per palla.	25-11-0 & 32-6-0	5,192/-	30 per cent of the arrivals are assumed to be delivered to Civil & Military Station
3.	C.P. Rice ---	49,386 Bags (2-3/4 Mds. each)	36-10-4	28-9-0 25-11-0 32-6-0	24,990/- (pproximate)	-do-
4.	C.P. Millets ---	49,897 Bags (2-1/2 Mds. each)	28-0-0	13-15-0 15-9-6	19,526/- (pproximate)	
5.	Ragi from Jeypore ---	5,250 Bags (2-1/2 Mds. each)	23-11-0	13-15-0	44,482/-	
6.	Coorg rice ---	--	29-4-0	21-6-0 22-10-0 25-13-0	00,000/-	The total loss of 6,00,000 is spread over the two periods.
7.	Broken rice from Karachi	4,839 bags. (2-1/2 Mds. each)	46-13-0 & 37-6-0	15-10-0	98,450/-	
				Total:-- Rs.	,26,526/-	

Auditor & Accounting Officer,
Food Supplies Department.

BJ/6.

33 [illegible]

Statement of subsidy on sales of foodgrains purchased from outside the State up to end of 30-6-1944.

Particulars.	Quantity purchased.	Purchase rate.	Selling rate.	Loss.
Ujjandgaon Ragi.	515 bags. (3½ Mds. each)	34-8-0 per palla	13-[illegible]-0 per palla.	6,281/-
Karachi rice.	2000 tons.	44-8-0 "	25-[illegible]-0 "	2,72,602/-
Ragi from Jeypore.	8204 bags. (2½ Mds. each)	21-6-0 "	13-[illegible]-0 "	80,178/-
Amritsar and Pachedi rice.	60 bags. (90 Sers. each)	66-8-0 "	25-[illegible]-0 "	1,986/-
Bajra from Patiala	6848 bags. (2½ Mds. each)	28-5-0 "	12-[illegible]-0 "	99,013/-
Jawar from C.P. and Berar.	403 tons.	33-10-0	14-[illegible]-0 "	59,327/-
Coorg Rice.	11200 tons.	29-4-0	21-[illegible]-0 22-[illegible]-0 25-[illegible]-0	4,00,000/-
Millets from Hyderabad.	4456 bags. (2½ Mds. each)	24-5-0 to 25-14-0	12-[illegible]-0	58,713/-
			Total ..	Rs.9,78,100/-

rs/-

Auditor and Accounting Officer,
Food Supplies Department.

Statement of Subsidy for the period 1-1-45 to 3 -6-1945.

	Quantity received.	Purchase rate.	Selling rate.	Subsidy.
1. Broken rice, Karachi.	9,398 bags of 2 1/2 Mds. each.	12-8-0, 10/- and 9-8-0 a maund F.C.R. Karachi.	15 - 10 - 0 a palla	1,96,023
2. Broken rice, Rajnandgaon.	1,800 bags of 2 1/2 maunds.	6-8-0 a maund F.O.R. despatching station.	15 - 10 - 0 "	14,017
3. Rice, Kapurthala.	4,474 bags of 2 1/2 maunds each.	12-6-9 a maund F.O.R despatching station.	32 - 9 - 0 "	44,855
4. Rice, Karachi.	91,594 bags of 2 1/2 maunds each.	11-5-0, 10-13-0 and ~~9-15-0~~ a maund.	32 - 9 - 0 "	4,04,369
5. Broken rice, C.P. & Berar.	5,003 bags (13,593 - 18 seers).	@ 8-4-0 a maund F. despatching stati	24 - 4 - 0 "	13,210
6. Coorg Paddy. -do- Rice.	1,55,256 - 48 seers. 26,007 - 37 "	12-8-0 a palla (paddy)	28 - 9 - 0 "	1,50,000
			Total.	8,22,474

Note.

	Rs.
Subsidy to end of December 44 as per previous reports.	27,04,626/-
Current subsidy.	8,22,474/-
Total subsidy to date.	35,27,100/-

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Auditor and Accounting Officer,
Food Supplies Department.

STATEMENT NO. & VIII

Statement showing the receipt of Periodical Account Returns up to 31-7-45 from the several Unit Officers of the Food Supply Department.

Name of the Unit.	Period of the return.	Cash Return (C.S.form 17)	Period of the return.	Stock Return C.S.form 16.	Period of the Return	Transfer of Stock Return (C.S.form 14 & C.S.form 14(a)		Period of the Return.	Stock Verification Report
D.C.Hassan.	June,45.	16-7-45	June, 45	20-7-45	June,45.	20-7-45	20-7-45	June,45.	19-7-45
D.C.Shimoga.	June,45.	26-7-45	May, 45	22-6-45	June,45	26-7-45	26-7-45	May, 45	28-6-45
D.C.Tumkur.	May, 45.	12-7-45	May, 45	12-7-45	June,45	19-7-45	19-7-45	June,45	27-7-45
D.C.Chitaldrug.	May, 45.	28-7-45	May, 45	28-7-45	May, 45	28-7-45	28-7-45	June,45	27-7-45
D.C.Mandya.	Feb. 45	4-6-45	March,45	28-6-45	Jany.45	4-7-45	4-7-45	June,45	26-7-45
D.C.Bangalore.	May,45	18-7-45	Feby. 45	21-6-45	Feby.45	21-6-45	21-6-45	May, 45	5-7-45
D.C.Kadur.	May,45.	25-6-45	Feby. 45	23-5-45	June,45	25-7-45	31-7-45	May, 45	27-7-45
D.C.Mysore.	May,45.	12-7-45	May, 45	12-7-45	May, 45	12-7-45	12-7-45	June,45(GCD.)	19-7-45
D.C.Kolar.	June,44.	18-12-44	March,44	25-11-44	--	--	--	Dec. 44	22-1-45
Rationing Officer, Bangalore	Feby.45	30-4-45	Feby. 45.	21-6-45	--	--	--	June,45.	23-7-45
-do- Mysore.	Oct. 44.	23-11-44	June, 45	8-7-45.	--	--	--	June, 45	16-7-45
A.D.F.S. (Depots).	--	--	--	--	--	--	--	June, 45	26-7-45

Auditor & Accounting Officer,
Food Supplies Department.

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STATEMENT NO. 9.

Statement showing the progress report of Local Audit to end of June, 1945 in the several Districts and the Units of the Food Supply Department.

Name of the Unit.	Total No.of Units to be audited.		Audit so far completed.		Audit completed during the month.		Audit in progress.		Audit not yet taken up.	
	No.of Units.	Period to end of	No.of Units.	Period to end of	No.of Units.	Period to end of	No.of Units.	Period to end of.	No.of Units.	Period from.
Rationing Office, Bangalore City.	55 Depots.	June, 45	4 Depots 1 " 4 " 4 " 1 " 3 " 27 "	30-6-45 31-5-45 30-4-45 31-3-45 28-2-45 31-1-45 31-12-44.	4 depots 6 "	30-6-45 31-12-44	2 depots	31-12-44	3 depots 1 " 4 " 4 " 1 " 2 " 3 "	1-2-45 1-3-45 1-4-45 1-5-45 1-6-45 31-10-44 30-11-44
Rationing Office, Mysore.	88 Depots.	June, 45.	36 Depots. 9 " 6 " 6 " 1 "	31-3-44 31-8-44 30-6-44 31-10-44 31-5-44	1 depot 1 " 1 "	28-2-45 31-4-44 30-9-44 30-6-45	3 depots 5 "	31-1-45 31-12-44	36 Depots 4 " 3 " 9 " 6 "	1-4-44 1-8-44 1-4-44 1-9-44 1-11-44
Reserve & Sub-Godown, Bangalore.	45 Units.	June, 45.	12 Units. 1 " 2 "	31-12-44 30-4-45 30-9-43	5 Units.	31-3-45	1 R.D. 1 S.G.	31-3-45	7 Units. 15 " 25 " (in part)	1-4-45 1-1-45 1-8-43
Dept. Commissioner, Kadur.	7 Taluks	June, 45.	1 Taluk 2 " 2 " 1 " 1 "	30-6-45 31-12-44 31-1-45 30-4-45 30-7-44	1 Taluk 1 " 1 "	30-6-45 31-3-45 31-1-45	2 Taluks	31-1-45	2 Taluks (part) 2 Taluks 1 " 1 " 1 "(part)	1-2-45 1-1-45 1-5-45 1-10-44 1-6-45
Deputy Commissioner, Tumkur.	10 Taluks & 2 Units.	June, 45.	3 Taluks 2 " 1 " 1 "	31-12-44 31-10-44 30-9-44 31-12-43	2 Taluks	31-12-44	2 Units & 3 S.G.	31-12-44	3 Taluks 2 " 1 " 3 " 2 Units	1-1-45 1-11-44 1-10-44 1-1-44 1-1-45
Deputy Commissioner, Chitaldrug.	10 Taluks & 2 Units.	June, 45.	5 Taluks (part) 3 Taluks 1 "	30-9-44 30-4-45 31-3-45	2 Taluks (part) 2 Taluks	30-4-45 28-2-45	2 Taluks	31-5-45	5 Taluks (part) 3 Taluks 2 "	1-10-44 1-5-45 1-3-45

Deputy Commissioner, Tumkur.	10 Taluks & 2 Units.	June, 45.	1 Taluk 4 Taluks (part) 2 Taluks (part) 1 -do- 1 -do- 1 Taluk	31-3-45 31-3-45 30-4-45 31-1-45 31-1-45 31-12-44	1 Taluk 2 Taluks (part)	31-3-45 31-5-45	1 Taluk & D.C. Office.	31-4-45	5 Taluks (part) 1 " 2 " 1 " 1 Unit 1 "	1-4-45 1-5-45 1-8-43 1-1-45 1-5-45 1-8-44.
Deputy Commissioner, Hassan.	8 Taluks & 2 Units.	June, 45.	8 Taluks (part)	31-3-45	1 Taluk & D.C.Office.	31-3-45	1 Unit (part)	30-6-45	1 Unit 7 Taluks (part) 1 Taluk	1-4-45 1-4-45 1-6-45
Deputy Commissioner, Mandya.	7 Taluks	June, 45.	1 Taluk (part) 1 " 2 " 1 " 1 " 1 " 2 "	31-3-45 31-1-44 31-10-44 30-6-44 31-12-44 30-9-44 31-12-44.	1 Taluk (part) 1 " 1 "	31-5-45 31-10-44 31-10-44	1 Taluk (part) 2 Taluks	31-10-44 31-12-44	2 Taluks (part) 1 " 1 " 2 " 1 "	1-1-45 1-4-45 1-2-44 1-11-44 1-7-44
Deputy Commissioner, Mysore.	10 Taluks 2 Unit.	June, 45.	3 Taluks (part) 1 Taluk 1 " 1 "	31-12-44 31-9-44 31-3-45 31-5-45	5 Taluks (part)	31-12-44	5 Taluks	31-12-44	4 Taluks (part) 2 Units 4 Taluks	1-6-44 1-6-44 1-1-45
Deputy Commissioner, Bangalore.	12 Taluks & other Units.	June, 45.	3 Taluks 1 " 1 " 1 "part 1 -do- 1 Taluk 2 Taluks part.	31-10-44 30-4-44 30-6-44 30-6-44 31-12-43 31-7-43 31-8-44.	1 Taluk & all allied depots 1 Taluk 1 Taluk	31-3-45 28-2-45 28-2-45	3 Taluks 1 " 1 "part 1 -do-	1-3-45 1-4-45 31-3-45 31-3-45	5 Taluks 1 " 3 Taluks (part) 2 -do- 1 -do-	1-4-45 1-4-45 1-11-44 1-8-43 1-7-43
G.C.D. Mysore.	25 Units (Mills & Depots)	June, 45.	4 Units	31-12-44	--	--	21 Units	31-3-45	4 Units 21 "	1-1-45 1-4-45
Dy.Commissioner, Kolar.	11 Taluks & K.G.F.Area.	June, 45.	1 Taluk part. 2 -do- 2 -do- 2 -do- 4 Taluks	30-4-45 31-3-45 31-3-45 30-6-45 30-6-44	5 Taluks part. 1 -do- 1 -do-	31-6-45 31-3-45 28-2-45	5 Taluks part	30-6-45	5 Taluks part. 6 Taluks " 1-Taluk 2 Taluks	1-4-45 1-1-45 1-3-45 1-6-45

Auditor & Accounting Officer,
Feed Supplies Department.

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Statement showing the particulars of audit reports issued, received back with replies, amounts objected to in audit and recoveries made etc.

Sl. No.	Name of unit.	Audit reports.			Amount objected to		Total.	Amount recovered.	Balance outstanding.
		No. issued.	No. recd. with reply.	Balance.	For recovery.	For other reasons.			
	Local Audit.								
1.	R.O.,B'lore.	179	34	145	13207-11-2	1,39,395-14-5	1,52,603-9-7	4,060-12-7	1,48,542-13-0
2.	R.O., Mysore	62	-	62	3302- 7-3	10,192-11-9	13,495-3-0	--	13,495- 3-0
3.	Kadur Dist.	7	-	7	--	35,975-11-8	35,975-11-8	796-8-10	35,179- 2-10
4.	Hassan Dist.	102	16	86	12764- 1-6	42,717- 5-5	55,481- 6-11	--	55,481- 6-11
5.	Kolar Dist.	96	2	94	2351- 1-8	13,616-15-9	15,968- 1-5	248-10-9	15,719- 6- 8
6.	Shimoga Dist.	6	2	4	12361- 9-9	1,911-10-6	14,273- 4-3	640-13-0	13,632- 7-3
7.	Tumkur Dist.	44	-	44	10377-10-5	21,832- 1-9	32,209-12-2	716- 2-2	31,493-10-0
8.	B'lore Dist.	8	-	8	540- 1-4	79,648- 3-2	80,188- 4-6	13240-14-3	66,947- 6-3
9.	Chitaldrug Dist.	61	9	52	13105-14-8	69,527- 4-2	82,633- 4-10	13500-15-5	69,132- 3-5
10.	Mandya Dist.	32	6	26	4587- 9-5	4,093- 2-0	8,680-11-5	3267-12-2	5,412-15-3
11.	Mysore Dist.	17	-	17	15655- 1-5	8,194- 8-3	23,849-9- 8	4368-15-3	19,480-10-5
	Total (Local Audit)	614	69	545	88253- 4-7	4,27,105- 8-10	5,15,358-13-5	40,841-8-5	4,74,517- 5- 0
	Add Central Audit Objections.	-	-	-	13957- 1-0	-	13,597- 1-0	3,426-4-0	10,530-13- 0
	Grand Total.	614	69	~~***~~ 545	1,02,210- 5-7	4,27,105-8-10	5,29,315-14-5	44,267-12-5	4,85,048- 2- 0

Auditor and Accounting Officer,
Food Supplies Department.

BTS/

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Cash Account of Standard Cloth to end of 30th June 1945.

Receipts.		Payments.	
From Comptroller.	35,00,000- 0- 0	Controller of Supply Accounts.	38,95,388- 4- 0
Advance received from Director of Food Supplies.	3,84,978-15- 0	Payments to Sri Krishna-rajendra Lilla etc.	16,476-12- 3
Sale proceeds received from Deputy Commissioners.	32,32,828- 8- 3	Dyeing charges.	50,191- 8- 0
Refunds received.	11,519-12- 3	Closing balance.	
		In F.D. account. 27,56,935- 1- 9	
		In transit. 4,10,335- 9- 6	
			31,67,270-11- 3
	71,29,327- 3- 6		71,29,327- 3- 6

Auditor and Accounting Officer,
Food Supplies Department.

RTS/

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Balance Sheet of Standard Cloth Account (State) as on 30th J

Liabilities.	Rs. A. P.	Assets.		Rs. A. P.
Comptroller	35,00,000 - -	Sale proceeds of ... Deputy Commis...		29,57,492- 4-8
Director of Food Supplies.	3,84,978-15-9	Closing Stock.		9,43,507- 0-4
Dyeing charges payable.	64,145- 7-0	Closing Cash:		
Controller of Supply Accounts.	30,58,203- 7-0	In F.D. account.	27,[illegible]5-1-9	
Profit.	60,942- 3-3	In transit.	4,[illegible]5-9-6	
				31,67,270-11-3
	70,68,270- 0-3			70,68,270- 0-3

Auditor and [illegible]untin[illegible] Officer,
Food Su[illegible] Department.

~~Statement showing cases of defalcations and other irregularities.~~ ANNEXURE - A.

Statement showing cases of defalcations and other irregularities. -

1. Mis-appropriation and falsification of accounts. -

Rationing Office, Mysore City.- The cash accounts of No.3 and 16 Sales Depot, Mandi Mohalla were maintained in a very unsatisfactory - condition. The Cash Book was written up only to end of 14-9-44 though the depot continued to function till the 9th October '44 when it was - finally wound up and given over to a private merchant. The transactions of both receipts and payments for the above period had to be posted by audit to ascertain the exact position of cash on the date of closure, which led to a closing balance of cash of Rs. 781-0-1 and this was not accounted for by the depot manager when he was relieved of his charge.

In four instances, amounts totalling to Rs. 757-7-7 were falsely charged in the cash book as remitted to the Mysore Bank, while actually no remittance was made at all.

In addition, there was an omission to take to account bills for -- sales actually made to the extent of Rs. 23-8-6 totalling in a shortage of Rs. 781-0-1.

It was reported by the Food Inspector in charge of this depot on - 15-1-45 that the full amount was recovered and credited to Bank. While verifying the credits in the Bank, only 3 amounts were found to have - been remitted to the Bank amounting to Rs. 701-4-9 and the balance was not remitted.

Even then, there was further interesting fraud that one item of -- Rs. 259-6-0 included in the above sum was really the sale proceeds of another depot (depot No. 10, Devaraja Mohalla) of which this same - - person was in charge later. He had shown this amount as relating to - No. 16 Mandi depot, and the Food Inspector was hood-winked into - - - - believing that this was in adjustment of the amount previously defalcated. This was also found out in subsequent audit and this amount and the balance of Rs. 79-11-4 still due towards the full adjustment of the amount of - - Rs. 781-0-1 were subsequently got recovered from the party and credited to Bank on 22-6-45.

2) In the course of audit of accounts of No. 9 Sales depot, Devaraja Mohalla, the closing cash balance of Rs. 325-4-9 on the 30th - - January '45 on the day on which the depot was finally closed, was required to be remitted to the Bank immediately and accordingly, the depot manager prepared a challan in duplicate for only Rs. 25-4-9 and remitted this amount to the Bank on 31-1-45. After the duplicate challan - was received back with the Bank's acknowledgment, the depot manager - - fraudulently interpolated an amount of Rs. 300/- both in words and - - figures so as to make it appear that the amount remitted was Rs.325-4-9 and filed this fabricated voucher in support of the payment charged in the Cash Book for Rs. 325-4-9 but while independently verifying the -- credit in the Bank's daily statement of Account Current, it was found - out that the remittance made was only Rs. 25-4-9 and this was proved by the original challan filed in the Bank. This fraud was immediately - - reported to the Rationing Officer by a special memo and the amount - - defalcated was recovered and credited to the Bank on 2-5-45. A detailed audit of the accounts of this Depot is under progress to find out the - total extent of loss both in cash and stock for the period the depot -- was in existence. The concerned depot manager has been dismissed from service.

Mysore District:- It was noticed during local audit of the standard ~~dama~~ cloth depot, Periapatna that the entries made on 19-7-44 in the stock register were fraudulently corrected and the closing stock was reduced thereby in the following items:- Std.20/4 -- 118 yds. and Std. 8 yds. Dhoties -- 20 pairs, transferred to Bettadapura Sales Depot. The items were corrected to 168 yds and 25 pairs respectively.

(ii) On 26-7-44 after the issue of ~~10½/4~~ 10-1/4 yds of Std.20/6 (27 shirting) the balance worked up to 2661 and 5/8 yds and not 2611 & 5/8 and entered in the stock at registers. Other irregularities together with the above resulted in the shortage of cash to the extent of Rs.304 11-11 which was recovered from the depot clerk and remitted to the Try. -15-5 on 22-11-44 and Rs. 45-12-6 on 22-12-44) The D.C. ordered that the services of the Depot clerk to be dispenced with and the Taluk ~~Shirastha~~

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Taluk Sheristedar was warned.

2. Cases of heavy and excess payments.-

Kadur District.- In Kadur Taluk, for a purchase of 3 pallas 10 seers of Ragi, a sum of Rs. 34-14-0 was paid on 20-6-44 by the Taluk Sheristedar on the authority of the 'Rahadari'(which was not in order) after obtaining the party's signature. Again, a second payment of Rs. 34-14-0 was made in respect of the same transaction on the authority of the receipt portion of H.S.3 after obtaining the thumb impression of the party. This was duly brought to the notice of administration.

Mandya District:- It was noticed that a sum of Rs.1,400/- being the cost of 100 pallas of C.S.Paddy was paid in excess at Seringapatam Taluk in Vr.No. 1226 dated 16-1-45 for Rs.1,732-1-0 to a party instead of paying Rs.332-1-0 due to him for the purchase of 23 pallas and 72 seers of paddy according to the certificate recorded in H.S.3 form by the Purchase Depot Clerk. The excess payment was recovered and credited to the Treasury on 30-6-45 and the matter is under investigation.

One Putte Gowda of Palahalli Village (Seringapatam Taluk) delivered to Government 32 pallas and 89 srs of C.S.paddy and was paid on 30-12-44,Rs. 707-6-0 as against Rs. 460-8-0 due to him resulting in an excess payment of Rs.246-14-0. The amount paid in excess was recovered from him and credited to the Treasury on 1-8-45.

Mysore District:- It was noticed during the compilation of half yearly accounts compilation of Bannur Mills (T.Narsipur) for the period ending 30-6-45, that in the claim for hulling and handling charges for the periods from 15-9-44 to 15-10-44 and 16-10-44 to 5-11-44 charges for 294 pallas Kar Paddy had been included in both the bills resulting in the excess payment of Rs.367-8-0. The amount was recovered from the Manager of the Mills and credited to Treasury on 24-8-45. Better scrutiny should have been exercised in the Taluk Office before the 2nd bill was paid.

3. Cases of Misappropriation:-

Mysore District: It was noticed during Local Audit that two bales of standard cloth of Std.14/5 of 1351 yds and 1330 yds sent on 15-5-44 and 22-6-44 respectively by the Government Central Depot Mysore, to the Standard cloth Depot, Nanjangud through the Departmental Lorry, were omitted to be taken to stock account,though acknowledgement was furnished for the receipt of cloth. It is understood that the bales had been sold by the Depot clerk privately The value thereof i.e., Rs.1,344-14-3 was made good by the Depot clerk in two instalments, Viz., Rs.138-9-6 on 3-5-45 and Rs. 1,206-4-9 on 6-5-45, after the irregularity was pointed out by audit. The cash book and the stock account were not properly maintained and posted up-to-date. The Deputy Commissioner passed orders terminating the services of the Depot clerk and Taluk Officers were warned.

(2) The cash book in the Reserve Depot, Chamarajanagar was not properly maintained. The sale amount totalling Rs.381-12-3 over a period of 9 months according to the stock sales register were not fully brought on to the cash book of the depot and the remittances made were only occasional,though there is a Taluk treasury near at hand. Only and a total sum of Rs. 269-10-2, was remitted, and the balance of Rs.112-1-0 having been mis-appropriated. This is still to be recovered.

~~5. Cases of Misappropriation.~~ -

Bangalore District. The sales clerk of Kunnirkatte and Yelikere depots, Channapatna taluk, had misappropriated the sale proceeds -- totalling Rs. 692-2-6 (Rs. 276-12-0 and Rs. 415-6-6). These items - were however got remitted subsequently on the fraud being noticed -- during the inspection of the Auditor and Accounting Officer and later, during detailed audit which was immediately arranged for.

2) Between 3-2-45 and 23-6-45, the depot clerk at Hattikere, - - Channapatna taluk misappropriated sale proceeds amounting to Rs.74-8-0. After this was pointed out in audit, this was made good.

3) Hoskote Taluk.- Omission to take to stock account of the Medihalli Sales Depot of certain consignments received from the Reserve -- depot, Hoskote resulting in a misappropriation of Rs. 379-7-0 was - - noticed. This amount was subsequently made good. Similarly, in Kadugodi Sales Depot, omission to take to stock account of a consignment - of wheat resulting in misappropriation of stock of the value of - - - Rs. 165-3-11 was noticed.

4) Bidadi Depot.- A misappropriation of Rs. 100-13-6 was noticed - between 30-7-44 and 31-8-44. The amount was got recovered.

5) Devanahalli.- Between January and June '45, misappropriation of - the sale proceeds under Sugar and Sugar candy amounting to Rs.184-6-0 - was observed in audit and communicated to the Amildar. The clerk - - - concerned admitted the fact but stated that this was due to over-sight.

Standard Cloth account, Devanahalli.- In the same taluk, it was - - observed that the Taluk Sheristedar had merely certified to the balance of standard cloth on 30-6-45 without actually verifying the stock - - existing in the depot on that date. It was however pointed out during audit that a total shortage of 7,840 yards had been left out of account and the Sheristedar had certified an incorrect balance to this extent.

6) Madadi.- Standard cloth valued at Rs. 135-8-11 was unaccounted - for. There cannot be any shortage of stock under standard cloth. Similarly, the standard cloth sales clerk had misappropriated sale proceeds of standard cloth amounting to Rs. 31-11-8.

7) Maralwadi depot.- Kankanahalli Taluk.- There was a case of - - - belated remittance of sale proceeds amounting to Rs. 112-3-6 kept by -- for more than a year and credited on 16-6-45, after being pointed out - in audit, and it cannot but be treated as a misappropriation of funds.

~~8) The amount objected to so far aggregates to Rs. 80,188-4-6 Cash recoveries amounting to Rs. 13,240-14-3 leaving a balance of Rs. - - - 66,947-6-3.~~

Kadur District.- In C (1) Depot, Chickmagalur, a total amount of Rs. 503-0-0 representing sale proceeds had been misappropriated. The amount was got credited to the Treasury later on after it was pointed out in audit.

2) In the N.R. pura Sub Taluk depot, a sum of Rs. 175-10-9 being the sale proceeds realised during the month of January, February, March and May 44 in the Central Depot at Narasimharajapura was not accounted for in the Cash book nor the amount remitted to the Treasury; when this omission was pointed out in audit, the amount was remitted to the - - Treasury on 9-10-44.

3) When charge of the standard cloth depot at Chickmagalur was -- handed over ~~xx~~ by one manager in February 44 to his successor, a sum - of Rs. 777-5-6 being the amount of cash balance held by the former was not at all handed over to the latter immediately but was remitted by - him piece-meal to the Treasury in June 44 with a delay of more than -- 3 months. This excessive delay in the remittance of sale proceeds is temporary misappropriation of Government money.

Rationing Office, Mysore City. The audit of accounts of No.6 Sales depot, Chamaraja Mohalla revealed serious irregularities leading to - heavy shortages of cash amounting to Rs. 425-9-4 and of goods costing Rs. 454-12-9 during the incubancy of a manager. The shortage of cash is due to a deliberate misappropriation of Government money of sale - proceeds actually realised but not remitted to Bank and this is - - - confirmed by the fact that the depot manager had himself subsequently made good a sum of Rs. 403-15-9 to the Rationing office later on.

Regarding the shortage of goods costing Rs. 454-12-9, no investigation appears to have been made as to how exactly the shortage occurred. But the shortage in cash leads to the suspicion that the stock also was -- fraudulently disposed off.

2) It was noticed on the examination of the accounts of No. 5 Sales Depot, Nazarbad Mohalla, that a sum of Rs. 143-1-8 was realised on - - account of sales as evidenced by cash bills but was not brought on - - in the cash book or sales book and remitted to the Bank or to the - - Rationing office. This is a clear case of misappropriation by the - - previous depot manager. He was also further responsible for a short - recovery of Rs. 21-1-0 due to incorrect calculations.

There has been at the same time an un-explained heavy shortage in - the stock of rationed articles costing Rs. 286-14-2. It is learnt -- that the concerned manager has not furnished cash security and it is - not clear how the Department is going to recover the total sum of - - Rs. 451-6-10 due from him.

3) The audit of the account of No. 7, 8 and 9 Depot in Lashkar - - Mohalla disclosed heavy shortages of cash and stock amounting to - - - Rs. 1,053-0-6 during a period of transactions of nearly 4 months of its existence. The shortage of cash of Rs. 484-7-6 is obviously a case of misappropriation of Government money actually realised by sale of goods and evidenced by necessary documents. The shortages in stock costing - Rs. 568-9-0 could not, under these circumstances, xxx have occurred in the ordinary course of business and it is likely that the articles might have been sold clandestinely and the proceeds defalcated.

4) There was a shortage of cash of Rs. 17-12-3 and of stock costing Rs. 210-11-9 in the accounts of No. 14 Sales Depot in Lashkar Mohalla during the incumbency of the same depot manager who was in charge of -- No. 7, 8 and 9 Sales depot in the same mohalla, and was found responsible for a defalcation of cash of Rs. 484-7-6 and a suspicious shortage of goods valued at Rs. 568-9-0. The full amount has of course been - - objected to for recovery.

It is a note-worthy fact that the man who had proved himself - - thoroughly dishonest in handling Government Cash and stores in a previous instance should have been placed again in responsible charge and allowed to cause further loss to Government by similarly fraudulent - - means.

5) It is observed that the sale realisations of No. 13 Sales depot in Lashkar Mohalla for the period from 20-12-43 to 14-4-44 were not - - being remitted to the Bank regularly every day and even remitting them irregularly some amounts were with-held and shown as part of the closing cash balance. Since the audit disclosed a cash deficit of Rs. 92-3-8, it is evident that what was represented in the cash book was not true and there must have been temporary misappropriation in the first - - - instance eventually leading to permanent shortage in Government cash.

6) The audit of the accounts of the No.10 Sales Depot, Mandi Mohalla from 1-7-44 to 18-10-44 disclosed a short remittance of cash Rs.25-10-7 due to the omission of cash bills actually issued for sale of commodities. This is a clear case of embezzlement of Government money either by the depot manager or the depot clerk.

There is further an abnormal shortage in gunny bags to the - - extent of 449 and no satisfactory explanation was given. In fact, no account was maintained for empty gunnies as per rules.

Mandya District:-

1 On 19-1-45 a sum of Rs.24,358-7-0 was charged off in the cash book towards paddy payments in Seringapatam Taluk Office as against the actual total of Rs.24,103-14-0. A sum of Rs.249-9-0 was therefore charged off in excess. After a lapse of nearly five months, the Food Accountant credited Rs.249-9-0 to the Treasury on 12-6-45 and entered the same on the receipt side of the cash book. The challan was also signed by him. It is not clear who had mis-appropriated this amount during this long interval. The matter is under investigation.

2 The following irregularities were noticed in the accounts of the Kasaba Sales Depot, Mandya.

1) Short remittance of sales proceeds for 7-4-45 -- Rs.57-6-0.

2) Failure to take into account the quantities received by him ~~in this~~ from the Reserve Depot Manager --- Rs.163-8-0.

3) Shortages of stock --- Rs.400-0-11.

Total amount:- Rs.620-14-11.

~~Periodical Verification~~:-

3 Periodical Verification of cash and stock were not conducted by the Local Officers. The entire sum was recovered from the party concerned and credited to Treasury.

3 The cash and stock accounts of standard cloth were not maintained properly and the following irregularities were --- noticed:- ~~Shortx~~

a)	Short remittances of sales proceeds		43- 0-10
b)	Sale proceeds not credited to Treasury -- --	--	45- 5- 1
c)	Cost of consignments received and acknowledged by the Depot clerk and not brought on the stock register --	---	117- 9- 0
d)	Value of shortages in stock	---	81- 7-10
			Rs.287- 6- 9
	Octroi on the above --	---	4- 8- 0
	Total	---	Rs.291-14- 9

Periodical Verification of stock and cash was not made by the Local Officials. The entire amount was however recovered on 30-4-45 and remitted to the Treasury.

4. Un-authorised and suspicious write off of shortages in stock.-

Hassan district.- At Alur A.R.B. Mills, the following shortages are recorded and stock balance has been reduced in Registers without sanction.

Paddy I	132 P. 33 Srs.	on 5-6-44
Paddy II	52 P. 99 "	-do-
Ragi	5 P. 28 "	19-8-44
Paddy I	33 P. 5 "	2-6-44

The stock verification had been done on 1-6-44 by the Amildar who has certified the book balances as verified balances and there were no subsequent purchases. How within the short interval of 1 to 4 days there could be such excessive shortages in Paddy valued at -- Rs. 2,786/- is ~~xxx~~ un-understandable. Under ragi, the stock was got measured by the local auditor on 16-6-44 who found in fact an excess of 6 pallas 75 seers, ~~xxxxxx~~ which was not taken into the register but the depot clerk has recorded a shortage of 5 pallas 28 seers on 19-8-44. ~~[illegible]~~ These shortages are thus distinctly suspicious ~~just two months later~~ and the write off in account was un-authorised.

Rationing office, Bangalore City. In the Fuel Reserve Depot No.1, a quantity of 160 tons 12 cwts. and 1 quarter was eliminated from the stock account as driage on 3-12-44. This was not done as a result of any stock taking. In fact, stock has not been taken at any time in -- this depot. How this was considered to be all driage is also not -- known. Competent sanction was also not produced.

5. Cases of excessive shortages.-

Rationing Office, Mysore. The audit of the accounts of No.3 Sales depot in Devaraja Mohalla disclosed a heavy shortage of rationed -- articles costing Rs. 321-13-7. In the investigation conducted by the Departmental officers as to how this shortage occurred, it was learnt that the depot manager and the bill clerk with the connivance of the measurer were strongly suspected of having made clandestine sales -- of the articles found short and of having defalcated the amount. -- There was a short remittance of Rs. 7-6-5 of sales proceeds actually realised involving on the whole a total loss of Rs. 329-4-0 to Government. The amount is still outstanding un-adjusted.

2) The audit of the accounts of No. 10 Sales depot, Lashkar -- Mohalla for a period from 20-12-43 to 11-8-44 disclosed a heavy -- shortage in commodities of goods costing Rs. 388-7-11 that may be -- waived as due to unavoidable causes as driage, wastage etc., under competent sanction, the balance of the shortage costing Rs.516-11-1 for which the depot managers are responsible is objected to for -- recovery. This abnormal shortage is due to want of systematical -- stock taking by higher Departmental officers.

Rationing office, Bangalore City. In depot No. 6 of 1st Division even after allowing a ~~xxxxx~~ uniform allowance for shortage of 2 seers in the case of rice and 1 seer in the case of other commodities per -- palla, the amount of excessive deficiency was Rs. 1,137/- during the period of a previous manager. Rice, ragi and soji were the chief -- commodities in which the deficit was heavy. The Asst. Rationing --- officer reported in his letter No. Per.A.49/44-45 dated 12-10-44 to -- the Rationing officer that the manager of the period was not straight in his dealings. The Department has been asked to investigate the -- case specially.

2 One manager of the depot No. 15, 2nd division had kept his -- accounts in a very confused condition and had not completely posted the sales registers and stock receipt books. Stock receipts were -- not taken to account correctly. Stock taken to account was omitted from the monthly account rendered to the higher officers. Since the accounts of his period were thus not satisfactory, the audited -- account was compiled by taking the total receipts, deducting the -- stock taken over by his successor and giving full allowances for --

for permissible limit of shortages valuing the difference and - - deducting the remittance made. He was found to be responsible for a net deficit of Rs. 1,771/-.

He was further found to be responsible for short remittances under several heads amounting to Rs. 53-15-6. It is thus clear -- that he had mis-used both cash and stock.

Kolar District. During inspection by the Auditor and Accounting Officer, the District Reserve Depot, Kolar was following a novel - - method of taking credit for shortages. The consignments of rice - - received from Mysore and Shimoga Districts were not actually measured atleast after complete issue and taken to stock accounts. But the - quantities originally taken on the basis of ~~xxxxxx~~ check-measurements of 5 or 10 bags only, the entire consignments of 200 to 500 bags - - would be taken to account at 2 seers to 2 3/4 seers less in each - - bag. Thereafter there was neither shortage nor excess. It was an - extraordinary thing that the entire consignment should actually work out to the test check of a few bags. Further, even in Bangalore - - City where consignments from the same places were received at the -- same time, the allround shortage was never more than 1 1/2 per cent. The write off of higher allround shortage was thus distinctly - - - suspicious. So, the complete stock of the depot at several places was checked and it was found that there was an excess of 7 pallas - of rice. As stock was being checked every month, the question arose as to how similar excesses which should have been noticed in the -- past were disposed of. It is significant that after inspection, -- 36 pallas of rice valued at Rs. 800/- have been taken to account as excess against original rate of 72 pallas of rice.

(a)
6. Shortage in cash.-

Kolar District.- The Amildar of Kolar taluk gave several - - - advances to his subordinates for purchase of ragi without maintaining an Advances and Adjustment Account by Receipt of Stock or - - - vouchers for expenses incurred and stock sold and balance of stock and advance. An audit of the advance accounts disclosed a total -- shortage of cash of Rs. 1,001/- as follows:--

1) Rs.200/- - advances to a subordinate officer outstanding without adjustment.
2) Rs.801/- - Deficit in closing balance.

When the irregularity was pointed out in audit, item No.1 was - recovered after a long interval. As regards item No.2, the Amildar has since recovered a sum of Rs. 350/- from the subordinates and -- produced records to account for a further sum of Rs. 459-1-0 stated to have been grains left out of accounts for want of correct maintenance of accounts.

(b) Shortage in sale proceeds.-

Kolar District.- The transactions of the Govt. Reserve Depot -- under the control of the same Amildar in regard to the retail sales disclosed during audit losses to Government amounting to about - - Rs. 233-13-0 on account of the sale proceeds of rice, ragi and - - sugar.

7. Stock not taken to account.-

Rationing officer, Bangalore City.- In depot No. 5 of 9th Division out of 40 bags of rice supplied and acknowledged by the manager on one occasion, only 20 bags were taken to account. Again, out of 25 bags of 80 seers each of Ragi supplied and acknowledged on another occasion, only 15 bags of 93 seers were taken to account. The cost of the difference viz., Rs. 530-11-0 has been asked to be recovered and the case investigated.

2) In depot No. 4 of 9th division, out of 62 bags of rice supplied and acknowledged on one occasion, only 49 bags were taken to account. The cost of the remaining 13 bags viz., Rs. 384-14-0 has been asked to be recovered and the case investigated.

3) Seven bags of dhall are noted in the supply register of the Food office as supplied on two occasions to depot No. 2 of 2nd Division. A slip containing the acknowledgment of the bill clerk in one case is posted to the supply book. In the other case, the manager has signed the supply register in token of having received the stock. These two consignments have not been taken into account both in the Stock Receipt Book and Stock Ledger. The cost of this amounting to Rs. 300/- has been asked to be recovered from the official responsible. As during the same period, this depot has shown certain unaccounted shortages under C.S. rice, Coorg rice and Jola, the bonafides of the staff became doubtful.

8. Loss due to inordinate delay in disposal of stock.-

Rationing officer, Bangalore City. Fried gram keeps for a longer period than the raw Bengal gram. But there was a delay of over one year in disposal of the fried gram with the result that even this became considerably deteriorated and ~~were~~ worm eaten. In two depots against, 7,773 seers of gram issued, very little (about 20 seers only) was sold and the balance was auctioned in January 45 for the low value of Rs. 485/- against Rs. 3,109-7-0 due. The loss of Rs. 2,624-7-0 could have been avoided if vigorous action had been taken for its disposal during the long interval.

9. Loss due to sale at less than the prescribed rates.-

Rationing officer, Bangalore City. Casurina and jungle charcoal has to be sold at the rate of Rs. 3-6-0 and Rs. 2-8-0 for a bag of 75 lbs. at the railway station and the weigh bridge. They have to be sold at Rs. 3-8-0 and Rs. 2-10-0 for a bag of 75 lbs. at the Reserve and Sales Depots. Instead of adopting these prescribed rates, varying rates which were less than these rates were adopted in selling them. The result was a short recovery of Rs. 1,926-0-8 as detailed below for the half year ending December 44 and this was found out in audit. The Department has been asked to recover the amount.

Railway station	.. 446-1-9
Weigh bridge	.. 739-7-3
R.D. II	.. 269-12-6
I Dn., Seshadripuram.	.. 94-2-0
-do- Guttahalli	.. 155-14-6
9th Dn., Depot No.1	.. 154-9-0
-do- No.2	.. 25-8-0
-do- No.3	.. 27-5-8
4th Dn. Depot No.2	13-4-0
	1926- 0-8

10. Abnormal delay in remitting sale proceeds and accounting for advances drawn:-

Mysore District: / In the cases of the following closed depots there was an abnormal delay in remitting amounts to the treasury and suitable action has to be taken for this irregularity which amounts to mis-appropriation.

(i) Badanaguppe Depot (Chamarajanagar Tk.) closed on 18-3-44, Rs.266-1-6 remitted on 30-6-44.

(ii) Honganoor Depot (Chamarajanagar Taluk) closed on 25-4-44, Rs.319-10-3 remitted on 14-12-44.

2 Out of a sum of Rs.1,000/- drawn by the Spl.Sheristedar, Chamarajanagar, a sum of Rs.580/- was advanced to the several persons for the purchase of foodgrains in the March,43. No details for payment of Rs.580/- were produced. However a sum of Rs.394/- was credited to Treasury by the Speical - - - -heristedar on the eve of his transfer in April, 1944 after a lapse of more than a year. This amounts nothing but a temporary misappropriation. The special sheristedar has not also taken into stock account 11 pallas and 50 srs of Jola stated to have been purchased by him. The cost of the abore quantity Viz., Rs.120-12-0 is objected to for recovery. The action of the special sheristedar was highly irregular.

11. Non-Accountal of Stock:-

Mysore District:- 2 pallas 70 srs. of c.s.rice was issued to Petta Sales Depot from the Reserve Depot, Periapatna under invoice No.3709 of 28-6-45. The receipt was not taken to account in the Sales Depot. It was stated that the measurer who took the stock never delivered it to the sales depot. After necessary enquiry the cost of Rs.90/- was recovered from the measurer and credited to on 25-7-45.

Mandya District:- The Depot clerk of Nagamangal Tk. recorded a certificate of having received 20 pallas 8 srs ragi in H.S.3 form, without actually bringing this quantity on the stock ledger, though the required entries were made in the purchase register, C.S.14 etc., When the stock was verified by Amildar on 30-6-45 the incorrect balance was also certified by him. This is under investigation. The value involved in this case is nearly Rs.300/-.

Rationing Office,Bangalore City:- In depot No.12 of 6th Dn., 22bags of rice costing Rs.505-6-0 supplied on the two different dates and acknowledged on by the Depot staff was not taken to account. The department is asked to investigate.

12. Abnormal shortages in stock:

Mysore District: / It was noticed during the inspection of Karinia rice Mill (T.N.Pur) that there was a short receipt of 9 pallas 12 srs of c.s.paddy. and 59 pallas 97 srs of kaddi paddy, in the quantity despatched from Yelandur to the Mills. Since the paddy was taken delivery by the Agent of the Millowner at Yelandur, there was no reason whatever for this heavy shortage. The amount of Rs.830/- has to be made good

2 Paddy transferred tfrom Mullur Depot (Heggadadevana Kote)to Hulla halli depot,(Nanjangud). The following shortages which work out to 10 % in transit were noticed during audit.

	P.	S.
Total quantity of paddy transferred as per Invoices from 19-4-44 to 30-6-44	596	--70
Quantity accepted -- --	537	--25
Shortage	59	--45

It is stated that this shortage of 59 pallas 45 srs included

Report on the Accounts of the Food Supply Department
for the half year ending December, 1944.

I attach hereto the Consolidated Cash Account, the Profit and Loss Account for the half year ending December, 1944 and the Balance Sheet of the Food Supply transactions as at end of 31-12-1944. The cash transactions have been agreed with the treasury figures. The stock transactions have been agreed with cash accounts and transfers of stock tallied to a much greater extent than what was possible before due to a noticeable improvement in the maintenance of initial accounts. The figures as regards outstanding liabilities like transport charges payable have been taken on the best information available after testing them with the quantities of stocks acquired or handled pending receipt of bills for Railway Credit Notes issued etc.,

Though the accounts have been compiled as before by the Local Auditors, the accounts of four Units were available in a practically complete condition, and did not involve much trouble in compilation. Out of these Units the Assistant Director of Food Supplies has handled transactions valued over one crore of rupees during the half-year. The three other Units, Mysore and Chitaldrug Districts and Rationing Officer, Bangalore City have been sending ~~sending~~ monthly accounts reconciling Cash and Stock accounts. Even in the remaining eight Units as already stated by me there was a noticeable improvement in the maintenance of accounts. Still the enormous magnitude and complexity of the Food Supply transactions require the continuous attention of not merely the audit staff but of all the officers in charge of initial accounts, the Amildars, Food Assistants and Deputy Commissioners so that the accounts could be maintained in a state efficiency and rendered to Government promptly.

The Accounts.

The attached statements I, II and III show that omitting the opening and closing balances, both the cash and profit and loss transactions for the period of six months only, approached Rs. four crores. The charges on the Standard Cloth apart from payment of its purchase price, have been incurred from the same funds and so mixed up

included, 35 pallas 55 srs of husk. Why paddy with so much husk was purchased and paid for at Government Depot requires investigation.

Husk	Pallas	35--55 Srs.
Shortage		23--90 "
Total		59--45

3. According to the stockregister of Honganur Depot.(Chamarajanagar Taluk) there should be a closing balance of 144 pallas, 15 srs of c.s.paddy on 30-10-44. This was not found in the Depot. The cost comes to Rs.1,801-14-0 of which a sum of Rs.657-0-0 was remitted on 28-12-44 and Rs.640-6-0 on 8-2-45 leaving a balance of Rs.504-8-0 yet to be recovered. Besides this there was a shortage of 7 pallas 16 srs of c.s.paddy in the quantity of stock transferred from Honganur Depot to Chamarajanagar Depot, only a few miles distance. The cost of this shortage works up to Rs.89-8-0 which has to be recovered.

4 On 16-5-44 there was a book balance of 88--69 p-Sra under Jola in Kuderu Depot of which 59 pallas 69 srs was paid by Government . Inspite of this balance of stock, transfer of stock from Chamarajanagar was effected for distribution. This was observed in audit and the Taluk authorities recovered a sum of Rs.981-6-0 stated to be towards the shortage of stock. It is not clear why before transfer of fresh jola to the depot, an enquiry was not made as to what became of the Jola shown as held in stock and why this shortage was not thus noticed earlier.

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Auditor & Accounting Officer,
Food Supplies Department.

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mixed up with the transactions of foodgrains that it has not been possible to give a separate Standard cloth account this time. Any how the import of Standard Cloth during the half-year was for a comparatively small amount of Rs.10,44,943-13-9 and the charges incurred are small and as reduction of selling prices was not given effect to during the half year, it has been taken that the small margin available covers the charges and there is no net loss or gain on these transactions. The fuel and charcoal supply transactions of Bangalore City have have, however, been separately worked out and these show a loss of Rs.25,347-11-3 compared to the sales of Rs.7,47,893-1-11.

The Cash position:

The period July to December being a lean period, the sales being much in excess of purchases the cash balance was very high being over Rs.2 crores; but of this nearly Rs.1 Crore was in the Treasuries merged along with the general balances of Government. It was also arranged during the half year that the Imperial and Mysore Banks pay interest on the balances of the Director just as they do for the balances of the Dewan's Deposit Account. Out of about Rs.1 Crore balance in the Banks, about Rs.34 lakhs was held in the separate accounts held by the Rationing Officers, Mysore, Bangalore and Kolar Gold Fields and were earmarked for payment to supply districts. Out of the remaining balance a large sum of over Rs.50 lakhs had to be paid on account of foreign purchases, the demand for which might be received at any moment and hence it was not possible to refund any amount out of advances drawn from the Comptroller.

Food grains purchases:

Food grains worth Rs.1,26,39,439-6-6 were purchased locally and Rs.85,15,039-11-11 were imported from outside. The details of purchases are given in the statements, IV and IV(a). During this period the administrative figures of acquisition do not differ appreciably from the account figures. Foodgrains worth Rs.1,06,59,125-9-11 were received by transfer from other Districts. Out of the local purchases a large sum of Rs.25,17,994-15-10 was payable to the suppliers at the end of the half-year. Mysore and

and Mandya districts alone are responsible for a total credit purchase of about Rs.15-1/2 lakhs on account of New harvest paddy acquired in December 1944, indicating that adequate arrangements were not made to pay cash soon after delivery of grains. A sum of about Rs.4 lakhs was payable by the Special Officer, Fuel - - Supplies to the suppliers of fuel to Bangalore City. The balance of about 6 lakhs of rupees is distributed over all the other districts, Shimoga district showing the smallest balance under credit purchases, Rs.58,464-7-10 compared to its heavy purchases. In the In the interest of both accounts and administration it is necessary to see that prompt payments are made on delivery of foodgrains and other stocks

Sales:

The actual sales of foodgrains apart from transfers to other districts, were for Rs.2,57,51,432-9-1, giving an average of nearly Rs.43 lakhs per month. The balance due on credit sales was - - Rs.20,36,803-12-4. Kolar District had no outstandings under this head. The Assistant Director of Food Supplies (Depots) Rs. - - Rs.8,32,862-15-7 and Shimoga District Rs.4,57,974-13-9, had the heaviest balances, as credit issues to Societies, Factories and Institutions are being allowed. It is necessary to avoid or at least keep at a minimum the credit sales in the interest of - - prompt and correct recovery of dues and convenience in accounting.

Closing Stock:

The major portion of the closing stock represents foreign purchases and local acquisition of new harvest paddy in Mandya - Mysore Districts. The only noticeable item of old harvest stock was about 1,30000 pallas of ragi worth Rs.15,27,000. Statement V shows the details of closing stock. The closing stock under food grains was worth Rs.1,03,57,436-9-3 and under Standard Cloth - - Rs.12,11,985-10-7. The closing stock is based on the certified balance of stock and is valued conservatively to provide for normal driages or shortages and deterioration and in any case not to exceed purchase price or selling price whichever is less. Stock Verification Statements are now being received fairly regularly. The - Assistant Director of Food Supplies (Depots) is the only officer

officer who is sending shortage statements regularly. The shortages in the case of the Bangalore City Godowns have greatly gone down being generally less than 1 % in the case of local rice and ragi. The shortage under wheat was just above 2 %, under Karachi rice 2.5 %, under Coorg rice 3.3 % and under C.P.rice 1.6 %. The Local Auditors have worked out the shortages in the case of the Ration Depots in Bangalore City. The noticeable shortages were 13.5 % under broken rice, 8.6 % under wheat flour, 7.1 % under bajra, 5 % under Jola and 5 % under soji. Except in Mysore District the undesirable practice of leaving out shortages in the stock ledgers as soon as each consignment is sold is still continuing and it is difficult to keep a control over the shortages. The regular submission of shortage statements to the Deputy Commissioners and from them to the Director has to be insisted upon.

A comparison of closing stocks of district with the administrative returns of visible stocks discloses heavy variations, that too visible stocks which should include stock with factories, licensed dealers etc., and hence should always be more, being much less. Thus under paddy visible stock statement shows 73,000 pallas less on the whole, Mysore showing 36,000 pallas less, Mandya 27,000 pallas less and Shimoga 8,000 pallas less. Under Jola the visible stocks statement shows 27,000 pallas less Mysore District alone showing 20,000 pallas less. Under wheat also the visible stocks are less by 23,000 pallas, Chitaldrug alone showing 8000 pallas less. The reasons for this is that the visible stock figures furnished by the Districts do not include the figures of several depots which might not have sent their returns. This defect has to be set right early.

Financial Results: Subsidy.

The subsidy given on foreign imports of foodgrains is now the predominating factor in determining the financial results of the Food Supply Operations. Hence in the Profit and Loss Account and Balance Sheet the figures relating to subsidy have been separately shown. Statement VI shows that during the half year the subsidy on foreign foodgrains is Rs.17,26,526. A sum of Rs.2 lakhs

2 lakhs out of subsidy on Coorg paddy and rice is transferred to current period to which it properly pertains. Further the subsidy on wheat and wheat products is omitted as on the whole we do not lose anything to end of December, 1944 on the purchase of wheat and wheat products. This reduces the subsidy on imported foodgrains to end of June, 1944 to Rs.9,78,100, (Statement VI(a)) the total subsidy to end of December,44 being Rs.27,04,626. - This is no doubt a high figure. But about Rs.18,00,000 out of this relates to rice in which we are deficit, and Rs.5,00,000 to jola got from Central Provinces,this half year for use in Mysore District where the crop failed. Except in the case of Coorg paddy the leads from other parts are higher and heavy - freight charges in addition to the cost of grains,which is itself high compared to Mysore prices, had to be paid.

To the subsidy on imported grains we have to add this time a subsidy on local ragi due to rounding off sale price to the next higher 'pavu' so as to make it cheaper to the public. This factor did not count much in the previous period. The effect of this subsidy on local grains this half year is Rs.57,690 making the total subsidy Rs.27,62,316.

Net deficit:

Leaving out the subsidy as stated above the net deficit for the half year is Rs.5,64,738. This is explained as follows:--

Depreciation provided in previous Balance Sheet on Jaggery and Bengal gram not adjusted but kept as reserve for meeting contingencies	---	Rs.1,72,946
Toor Dhall closing balance valued at Rs.25/- in view of recent sales. Loss may however not be so much. 18,632 pallas at Rs.12/- per palla	--	2,23,584
Net effect of local transactions(loss)		1,68,208
	Total	Rs.5,64,738.

The adjustment of provisions made on depreciation on Jaggery and Bengal gram was not made during the half year as it is considered desirable to leave it as a reserve to meet the compratively higher driages to be provided for on account of acquisition of a larger stock of fresh paddy this time. The Millowners are also demanding

demanding a higher payment. The provision of Rs.2,23,584 made for toor dhal by reducing the valuation of closing stock may not be fully utilised. As a good portion of dhall has been sold at prescribed rates the net loss under this commodity will be less but the actual figures could be given only after the dhal is sold out. The remaining net deficit of Rs.1,68,206 works out to about 0.6 % of the total sales of Rs.2-1/2 crores and is due to the causes given in previous report i.e., provision for depreciation on gunnies and lorries, low yield of rice from paddy in Malnad districts not being sufficient to cover driages, commission payable to village officers etc.

The up-to-date position of profit and loss account as shown in the Balance Sheet reveals that omitting the adventitious profit of Rs.6,52,445-10-10 in the beginning for period ending June, 1943, the deficit is entirely accounted for by subsidies on foodgrains and ~~the~~ there is a net loss of only Rs.12,270-3-3 which being too small indicates that the food supply local transactions have resulted neither in gain nor loss worth mentioning.

This result does not, however, take into account the Depot charges and subordinate supervision which up to end of December, 44 amounts to Rs.18 lakhs which in commercial usage should have gone into Profit and Loss account but which from the beginning have been ordered by Government to be charged off to final heads, thus - - treating it also as a subsidy to the consumers.

Transfers:

During the half year considerable pains were taken to reconcile the transfers of foodgrains from District to District and within the districts also. These transfers are of enormous amounts running to over Rs.4 crores. If the surplus districts insist on prompt payment and deficit districts promptly discharge the liability by obtaining stock certificates from their depots, then there need be no great differences under this heading. But this is not done and there is much delay both in sending the bills and in paying them. As a result of efforts made this time the difference in transfers for the half year is only about Rs.1,13,000 making

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making the up to date difference under this heading Rs. - Rs.6,49,567-15-1. As the liability side is no more this has the effect of a reserve which will be useful to meet possible shortage under the assets side under

(i) Advances from which expenditure might have been incurred but accounts have not been rendered, and

(ii) Depreciation of closing stock at the time of the closure of the Food Supply Operations.

There are no other noticeable factors either in the Balance Sheet or under other heads dealt with in the previous reports and these will be dealt with in full in my annual report for 1944-45.

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Auditor & Accounting Officer,
Food Supplies Department.

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Comptroller

For favour of perusal.

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Profit and Loss Account for the half year ending 31st December 1944.

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Particulars.		Amount.	Particulars.		Amount.
Opening Stock.		1,56,61,879-2-10	Sales - Local.		2,57,51,432-9-1
Purchases:- Local	1,26,39,439-6-6		-do- to other districts.		1,04,20,733-6-7
Foreign	85,15,039-11-11				
		2,11,54,479-2-5	Standard cloth sales to parties.	10,80,488-14-4	
-do- from other districts.		1,06,59,125-9-11	-do- to other districts.	3,96,866-10-5	14,77,355-8-9
Standard Cloth imports.	10,44,943-13-9		Miscellaneous receipts.		50,018-9-2
-do- receipts from other districts.	3,96,886-10-5	14,41,830-8-2	Closing stock foodgrains.	1,03,57,436-9-3	
Transport charges.		25,22,904-2-2	Gunnies.	11,93,431-9-0	
Hulling charges.		6,25,192-15-4	Standard cloth	12,11,986-10-7	1,27,62,854-12-10
Commission to village officers.		1,84,927-11-9			
Miscellaneous charges.		3,95,629-12-9	Subsidy given on imported food-grains.	17,26,526-0-0	
Depreciation:			-do- on local purchase (Ragi)	57,690-0-0	
Gunnies.	1,15,380-5-0			17,84,216-0-0	
Lorries.	50,000-0-0	1,65,380-5-0			
			Net deficit in other transactions (vide attached sheet)	5,64,738-7-11	23,48,954-7-11
Grand total ..		5,28,11,349-6-4	Grand total ..		5,28,11,349-6-4

Editor & Accounting Officer,
Food Supplies Department.

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BALANCE SHEET AS ON 31ST DECEMBER 19

Liabilities.	Amount.	Assets.	Amount.
mptroller.	2,50,58,450-0-3	Advances to subordinat	10,06,345-12- 5
posits - Parties.	2,58,965-13-8	-do- other offi	rties. 91,33,225- 9- 2
-do- Received from other officers.	91,33,225-9-2	Credit sales within districts.. --	20,36,803-12-4
edit Purchases:		Credit to ta other districts. --	2,60,34,739- 8-2
Local .. 25,17,994-15-10			2,80,71,543- 4- 6
-do-foreign .. 53,62,336- 3- 9		Weighing machines, mea.	ing sets.etc. -- 56,677-11- 4
-do-from other districts..2,66,84,307-7-3	3,45,64,638-10-10	Misclassification in T	sury accounts -- 78,515- 1- 1
	18,34,606- 0- 6	Suspense.	-- 4,756- 2- 6
tandard Cloth. -- --	13,76,304- 6- 8	Refunds recoverable.	10,302- 0- 0
ransport charges payable --	2,33,812- 1- 0	Closing Stock:	
ulling charges payable --		Foodgrains.	1,03,57,436-9-3
ommission to village officers payable --	1,37,262- 4- 8	Gunnies.	11,93,431-9-0
ommission payable to Comptroller.	3,81,928- 5- 3	Standard cloth.	12,11,986-10-7
	1,60,362- 1- 3		1,27,62,854-12-10
iscellaneous charges payable.	56- 8-11	Closing Balance:	
uspense -- --		Cash on hand.	19,07,309-13-10
Depreciation:		At Bank.	90,18,389-11-6
Old 7,44,112-6-0		In P.D. Account	98,77,044- 1-7
Current -gunnies 1,15,380-0-0			2,08,02,743-10-11
-do- lorries 50,000-0-0	9,09,492-11- 0	Net deficit (vide pag	of the report) 21,22,140- 8- 5
Grand total ..	7,40,49,104- 9- 2	Grand total ..	7,40,49,104- 9- 2

Aud[illegible]nd Accounting Officer,
[illegible]upplies Department.

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IV

Statement showing the purchases of Foodgrains made locally during the half year ending 31st December, 1944.

Sl. No:	Commodity.	Quantity Pallas.	Seers	Cost. Rs.	As.	Ps.
1.	Paddy -- No.I	2,24,660	16	28,34,860	3	11
2.	Paddy -- No.II	2,38,475	21	22,58,497	-	10
3.	Paddy -- No.III	1,03,234	99	9,39,107	1	9
4.	R i c e ---	21,523	03	5,74,249	13	10
5.	R a g i ---	1,97,439	54	22,95,774	4	8
6.	J o l a ---	48,753	52	5,78,314	9	5
7.	W h e a t ---	258	98	7,794	10	8
8.	Haraka ---	655	10	6,447	7	-
9.	Navane ---	3,447	09	34,587	13	4
10.	Sauve ---	466	19	4,803	6	11
11.	Bengal Gram ---	-	50	14	2	-
12.	Sajje ---	757	41	8,900	14	6
13.	Tur Dhall ---	3	34	161	14	7
14.	Sugar --- Mds.	3,52,205	22	17,12,821	9	3
15.	B o o r a --- Mds.	3,038	28	16,557	14	-
16.	Sugar Candy --- Mds.	1,681	29	9,977	12	-
17.	Jaggery --- Mds.	1,684	24	6,828	6	-
18.	Sojee --- Lbs.	616	--	132	6	-
19.	Kerosine --- Tins.	27,772	-8 Bottles.	1,37,565	2	-
20.	Fuel & Charcoal	--	--	6,99,619	9	3
21.	Other items (gunnies etc.)		--	5,12,423	4	7
			Total:--	Rs.1,26,39,439	6	6

Auditor & Accounting Officer,
Food Supplies-Department.

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Condolidated statement of purchases from outside the State during the half year ending 31-12-44.

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Sl. No.	Name of Commodity.	Place from which received.	No. of Bags	Quantity. Maunds.	Seers.	Value. Rs.	As.	Ps.
1.	Wheat & Wheat products	Punjab & Australia	1,72,408-1/2	5,85,187	23	33,01,837	9	1
2.	Bengal Gram ---	Bahawalpur	10,594	27,617	34	2,28,465	13	-
3.	Rice ---	Sind & Central Provinces.	82,449	2,18,346	--	29,40,215	10	-
4.	Broken Rice ---	K a r a c h i.	4,839	12,097	20	1,29,688	-	-
5.	R a g i ---	J e y p o r e	5,250	13,063	12	93,173	8	-
6.	Urd and Urd Dhall	Hyderabad and Rajnandgaon	13,641	37,646	16	4,56,333	11	10
7.	Bajra & Javar ---	Central Provinces & Punjab	53,681	1,34,333	14	10,57,275	7	6
8.	Gunny Bags. ---	M/s.Binny & Co.,	1,250 Bales of 400 bags each.	5,00,000		3,18,050	-	6
						85,15,039	11	11

Auditor & Accounting Officer,
Food Supplies Department.

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V

Statement of Closing Stock.

Sl.No.	Commodity.	Quantity. Pallas.	Srs.	Cost. Rs.	As.	Ps.
1	Ragi --	1,31,240 --	93	15,27,002	4	9
2.	Paddy --- I --	1,45,177 --	39	18,96,619	3	3
3.	Paddy --- II --	56,340 --	69	5,68,007	8	3
4.	Paddy --- III --	17,121 --	93	1,53,951	11	10
5.	Rice ---Fine --	11,759 --	46	3,29,128	10	-
6.	Rice -- Medium	54,791 --	84	14,12,867	-	9
7.	Rice -- Coarse	2,892 --	05	57,694	4	9
8.	Wheat -- --	70,285 --	--	17, 54,433	0	8
9.	Jola -- --	40,695 --	34	4,91,313	14	-
10.	Toor Dhall --	18,631 --	65	4,43,539	6	1
11.	Bangal Gram --	6,013 --	64	1,28,646	3	10
12.	Broken Rice --	849 --	60	9,454	1	4
13.	Harka -- --	854 --	59	8,922	14	2
14.	Navane -- --	4,255 --	13	49,185	7	5
15.	Bajra & Sajje --	741 --	14	8,548	2	1
16.	Save -- --	421 --	78	4,325	1	8
17.	Black Gram --	8,446 --	97	3,42,211	13	3
18.	Black Gram Dhall --	2,169 --	83	99,234	00	2
19.	Soji -- --	1,85,489 Lbs.		35,261	9	2
20.	Wheat Flour --	41,66,898 Lbs.		4,45,641	1	8
21.	Maida -- --	5,94,149 Lbs.		95,200	7	7
22.	Sugar (Maunds) --	71,378 --	10	3,57,424	00	3
23.	Bura Sugar (do) --	947 --	29	5,083	1	6
24.	Sugar Candy (-do-) --	902 --	04	5,074	5	-
25.	Jaggery (-do-) --	5,308 --	14	15,997	9	-
26.	Kerosine Oil --	15,373 Tins.		77,820	6	3
27.	Miscellaneous --	--		34,849	4	7
	Food Grains -- Total			1,03,57,436	9	3
	Gunnies including empty tins fuel, charcoal & Tyres & Tubes			11,93,431	9	-
	Standard Cloth -- --			12,11,986	10	7
	GRAND TOTAL :--			1,27,62,854	12	10

Auditor & Accounting Officer,
Food Supplies Department.

G. R. S. App. F VI—G 2]

SUBJECT .....

.....

.....

TYPED.
10/12/45

Diary No. of letter replied to .....

Section

File No. A 79-45

Serial No. 3

General and Revenue Secretariat

( )

the 194 .

Proceedings of the Government of His Highness the Maharaja of Mysore.

Date of issue .. 5.12.1945.

Signed by .....

Issued on 7/12/45

May this be—

(i) printed ?

(ii) treated as a standing order ?

(iii) published in the Gazette, English Part ?

(iv) translated ?

(v) placed at the disposal of the press ?

(vi) published in the Gazette, Kannada Part ?

Read— Letter no LD. 1915/Accts. dated the 21st September, 1945, from the Director of Food Supplies, reporting that on account of food Control measures in the State, a total loss of

Order thereon—No Rs. 28,17,751-3-1 mainly due to the policy in imported foodgrains has been incurred from the beginning of the food deficit in the year 1942 to the end of June 1945 that a provision of Rs. 25 lakhs has been made

in the Revised Budget of 1944-45
for subsidy on imported foodgrains
and requesting sanction to write off
the loss to the extent of the provision
made viz; Rs. 25 lakhs, in the June 19
final accounts by crediting (reducin
the advances shown against them.

2 - Unofficial note no 305/Spl dated
1.11.1945 from the Comptroller stating
that it is desirable to write off the
loss due to subsidy on foodgrains
in each year's accounts as the loss
on this account will be a recurri
feature as long as essential foodgr
have to be imported from outside
the State and stating that he
has provisionally adjusted in the
accounts of 1944-45, the sum
of Rs. 25 lakhs obtained as
a supplementary grant in
June 1945.

List of Enclosures

G.O. No. 3535 — Copied by

order

In the circumstances explained, Examined by Government are
pleased to approve the action taken by the
Comptroller in adjusting the loss of Rs. 25 lakhs
mainly due to the subsidising of foodgrains in the State
by Government at price lower than cost.

61 The Dy. F.S. The Comptroller and F.

WD 087—GPB-440,000—11-11-40.

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS
THE MAHARAJA OF MYSORE.

Letter No. SD.1915/Accts., dated, the 21st September, 1945, from the Director of Food Supplies, reporting that on account of food control measures in the State, a total loss of Rs.28,17,751-3-11 mainly due to the subsidy on imported foodgrains has been incurred from the beginning of the food operation in the year 1942 to the end of June, 1945, that a provision of Rs.25 lakhs (Rs. Twentyfive lakhs) has been made in the revised budget of 1944-45 for subsidy on imported foodgrains and requesting sanction to write off the loss to the extent of the provision made viz., Rs.25 lakhs, in the June 1945 final accounts by crediting (reducing) the advances shown against him.

2. Unofficial note No.305/Spl., dated, 1-11-1945, from the Comptroller stating that it is desirable to write off the loss due to subsidy on foodgrains in each year's accounts, as the loss on this account will be a recurring feature as long as essential foodgrains have to be imported from outside the State and stating that he has provisionally adjusted in the accounts of 1944-45, the sum of Rs.25 lakhs, obtained as a supplementary grant in June 1945.

O R D E R NO. G.D. 3535-7 /A.79-45-3,

DATED, BANGALORE, THE 5th DECEMBER, 1945.

In the circumstances explained, Government are pleased to approve the action taken by the Comptroller in adjusting the loss of Rupees Twentyfive Lakhs (Rs.25 lakhs) mainly due to the sale of foodgrains in the State by Government at prices lower than what they cost.

M.S.Swaminathan
Secretary to Government,
Development Department.
(Food Supplies)

TO

The Director of Food Supplies in Mysore.

" Comptroller through Finance Deptt.

Copy to the Auditor & Accounting Officer,
Food Supplies, Bangalore.

KRG.10.